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# 2021 Notice of Annual General Meeting

Monday 29 November 2021 at 10.00 am (AEDT)

**This is an important document. Please read it carefully.**

If you are unable attend the Annual General Meeting in person or online, please complete the Proxy Form enclosed at the back of this document and return it in accordance with the instructions.

# Notice of Annual General Meeting

Notice is hereby given that the 2021 Annual General Meeting of shareholders of Lynas Rare Earths Limited (“**Company**”) will be at the Fullerton Hotel at 1 Martin Place, Sydney, NSW and simultaneously on the Lumi platform via <https://web.lumiagm.com/390749184> on **Monday 29 November 2021 at 10:00am (AEDT)** for the purpose of transacting the business set out in this notice.

## ORDINARY BUSINESS

### 1. FY21 ANNUAL FINANCIAL REPORT

To receive and consider the financial statements of the Company for the year ended 30 June 2021, consisting of the Annual Financial Report, the Directors’ Report and the Auditor’s Report.

### 2. REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That the Remuneration Report of the Company for the year ended 30 June 2021 be adopted.”*

**Note:** Pursuant to section 250R(3) of the *Corporations Act 2001*, the vote on this resolution is advisory only and it does not bind the directors or the Company.

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- a member of the Key Management Personnel as disclosed in the Lynas Remuneration Report (**KMP**); or
- an associate or a closely related party of such a member (such as close family members and any companies the person controls).

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### 3. RE-ELECTION OF PHILIPPE ETIENNE AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That Philippe Etienne, having retired as a director of the Company pursuant to Article 13.2 of the Company’s Constitution and, being eligible, having offered himself for re-election, be appointed as a director of the Company.”*

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**Note:** Pursuant to article 13.2 of the Company’s Constitution, one-third of the directors of the Company (other than the managing director), or if their number is not a multiple of 3, then such number as is appropriate to ensure that no director other than alternate directors and the managing director holds office for more than 3 years, must retire at each Annual General Meeting and, being eligible, may offer themselves for re-election.

### 4. GRANT OF PERFORMANCE RIGHTS TO AMANDA LACAZE, CEO AND MANAGING DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That pursuant to and in accordance with Listing Rule 10.14 of the ASX Listing Rules, and for all other purposes, the Company approves and authorises the Directors of the Company to grant, for the benefit of Amanda Lacaze, the following rights to subscribe for ordinary shares in the Company:*

- (a) **FY21 STI Performance Rights:** 50,410 Performance Rights with a 12-month vesting period commencing on 31 August 2021 and an exercise date in the first employee trading window after 31 August 2022, as a Short Term Incentive (“STI”) award in respect of FY21 subject to the conditions set out in the attached Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan.*
- (b) **LTI Performance Rights:** A Long Term Incentive (“LTI”) of 149,272 Performance Rights with a 3 year vesting period commencing 31 August 2021 and a 2 year exercise period, and subject to the conditions set out in the attached Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan.”*

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**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- Amanda Lacaze and any other member of the Key Management Personnel as disclosed in the Lynas Remuneration Report (**KMP**); or
- an associate or a closely related party of such a member (such as close family members and any companies the person controls).

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Note:** As described in the Explanatory Memorandum, the Performance Rights were valued by the Company and its advisers using the 5 day VWAP as at the date of Board approval on 25 August 2021, being \$6.6040 per Performance Right.

By order of the Board

Sarah Leonard

Secretary

Date: 11 October 2021

# Information for shareholders

## 1. PARTICIPATING IN THE AGM

We look forward to meeting with our shareholders at the AGM and giving all shareholders the opportunity to hear from the Chairman and CEO about Lynas' performance, operations and future plans for the year ahead.

It is currently intended that the AGM will be held at the Fullerton Hotel at 1 Martin Place, Sydney, NSW and simultaneously online on the Lumi platform. However, the health and safety of our shareholders and our communities is our first priority and, due to the ongoing COVID-19 pandemic, it may be necessary for the meeting to be conducted as a virtual meeting only. Lynas will provide updates through the ASX announcements platform and Lynas' website if the in person meeting will not proceed. In this event, the AGM will proceed as a virtual meeting.

You can attend, vote and ask questions at the AGM online by visiting <https://web.lumiagm.com/390749184> and following the instructions. You will need your Voting Access Code (which is located on the first page of your proxy form) and Password (which is the postcode of you registered address).

If you are unable to attend the AGM, either online or in person, but wish to appoint a proxy, please lodge your proxy online at [www.votingonline.com.au/lynasagm2021](http://www.votingonline.com.au/lynasagm2021) or complete and return a hard-copy proxy form to our share registry, Boardroom Pty Ltd, so that it is received by 10:00am (AEDT) on 27 November 2021. Further instructions are set out on your Proxy Form.

## 2. DETERMINING ENTITLEMENT TO VOTE

For the purposes of determining a person's entitlement to vote at the meeting, a person will be recognised as a member and holder of shares if that person is registered as a holder of those shares at 7:00pm (AEDT) on 27 November 2021.

## 3. PROXY VOTES

A Proxy Form is included with this Notice.

You can appoint a proxy to attend and vote for you at the meeting in accordance with the directions on the Proxy Form. If no directions as to voting are given to the proxy on the Proxy Form, the proxy may vote as he or she thinks fit, to the extent permitted by law.

If you are entitled to cast two or more votes, you may appoint not more than two proxies to attend and vote for you at the meeting and specify the proportion or number of votes each proxy may exercise.

For an appointment of a proxy for the meeting to be effective:

- the proxy's appointment; and
- the power of attorney (if any) under which it is signed or satisfactory proof of that power or a certified copy of it,

must be received by the Company at the registered office or at the office of the Company's share registry, Boardroom Pty Limited, by no later than 10:00am (AEDT), on 27 November 2021:

**By mail:** Share Registry: Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia

**By facsimile:** Share Registry: +61 2 9290 9655

**Online Voting:** Share Registry: [www.votingonline.com.au/lynasagm2021](http://www.votingonline.com.au/lynasagm2021)

# Explanatory Memorandum

This Explanatory Memorandum contains information relevant to the Resolutions set out in the Notice of Annual General Meeting (“**Notice**”) of Lynas Rare Earths Limited ACN 009 066 648 (“**Company**”) and should be read carefully and in its entirety by shareholders before making any decision in relation to the Resolutions.

The Directors believe that it is in the best interests of Lynas that the Resolutions set out in the Notice be passed and, to the extent that they are permitted to make a recommendation, the Directors unanimously recommend that you vote in favour of the Resolutions. The Directors have abstained from Board discussions and from making any recommendation to shareholders in respect of those matters in which they have a personal interest.

If you have any doubt regarding the information contained in this Explanatory Memorandum or any action you should take in respect of such information, you should consult your financial, legal, taxation or other professional adviser.

Defined terms used in this Explanatory Memorandum are set out in the Glossary.

## FY21 ANNUAL FINANCIAL REPORT

The Financial Report, Directors Report and Auditors’ Report for the year ended 20 June 2021 will be presented for consideration. There will be reasonable opportunity at the meeting for Shareholders to raise questions on the reports and the management of Lynas. The Auditor will be in attendance to answer questions on the Auditors’ Report. Shareholders are not required to vote on the Financial Report, Directors’ Report or Auditors’ Report.

## RESOLUTION 1 – REMUNERATION REPORT

The Remuneration Report forms part of the Directors’ Report and is included Lynas’ FY21 Financial Report, a copy of which is available at [www.asx.com.au](http://www.asx.com.au) (Stock Code: LYC).

The Remuneration Report:

- (a) explains the Board’s policies relating to remuneration of directors, secretaries and executives of the Company;
- (b) discusses the relationship between such policies and the Company’s performance;
- (c) provides details of any performance conditions attached to such remuneration; and
- (d) sets out remuneration details for each of the Key Management Personnel.

The Directors unanimously recommend that Shareholders vote in favour of this advisory resolution. A voting exclusion applies to this resolution, as set out above in this Notice of Meeting.

## RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PHILIPPE ETIENNE

Mr Phillippe Etienne is submitting himself for re-election as a Director. Biographical information on Mr Phillippe Etienne is set out below.

### Biographical details

Mr Etienne joined the Company as a Non-Executive Director on 1 January 2015. He is a Non-Executive Director of Cleanaway Waste Management Limited and Aristocrat Leisure Limited. Mr Etienne is also a former Non-Executive Director of Sedgman Limited and the former Managing Director and Chief Executive Officer of Innovia Security Pty Ltd.

Previously, he was the Chief Executive Officer of Orica Mining Services and was a member of Orica Limited's Executive Committee.

Mr Etienne is a graduate of the Australian Institute of Company Directors. His career includes senior executive positions with Orica in Australia, the USA and Germany including strategy and planning and responsibility for synergy delivery of large scale acquisitions.

### Details of relationships between the Candidate and the Company

Mr Etienne is a Non-Executive Director of the Company. Mr Etienne is Chair of the Health, Safety and Environment Committee.

### Details of relationships between the Candidate and Directors of the Company

None.

### Other directorships held

Mr Etienne is a Non-Executive Director of Cleanaway Waste Management Limited, Aristocrat Leisure Limited and the Hyperion Investments Australia Pty Ltd group of companies.

### Term of office

Mr Etienne joined the Board as a Non-Executive Director from 1 January 2015.

The Directors (other than Mr Etienne) unanimously recommend that Shareholders vote in favour of the resolution re-electing Mr Etienne.

## RESOLUTION 3 – GRANT OF PERFORMANCE RIGHTS FOR THE BENEFIT OF CEO & MANAGING DIRECTOR – AMANDA LACAZE

Shareholder approval is sought for the grant of the following performance rights for the benefit of Amanda Lacaze, CEO and Managing Director:

- (a) **FY21 STI Performance Rights:** 50,410 Performance Rights (value \$332,906) with a 12-month vesting period commencing 31 August 2021 and an exercise date in the first employee trading window after 31 August 2022, as an STI award in respect of FY21, subject to the conditions set out in this Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan (**FY21 STI Performance Rights**);
- (b) **LTI Performance Rights:** A Long Term Incentive ("LTI") of 149,272 Performance Rights (value \$985,788) with a 3 year vesting period commencing 31 August 2021 and a 2 year exercise period, subject to the conditions set out in this Explanatory Memorandum and otherwise in accordance with the Rules of the Rights Plan (**LTI Performance Rights**).

Each Performance Right is a right to acquire one ordinary share in the Company in the future, subject to the satisfaction of the conditions described below.

## Background

Lynas' remuneration objective is to maximise shareholder benefits by attracting, retaining and motivating high quality personnel. As CEO and Managing Director, Ms Lacaze's remuneration is linked to Lynas' financial and operational performance. The Short Term Incentive (STI) Plan and Long Term Incentive (LTI) Plan provides an 'at risk' or performance related component based on short term and long term objectives that align with Lynas' strategic goals. In accordance with this remuneration objective, the Board considers that it is in the interest of shareholders to provide equity based incentives under the STI and LTI Plan which ensure that there is alignment between the rewards to shareholders and Ms Lacaze's remuneration.

Shareholder approval is required, including under ASX Listing Rule 10.14, for the issue of securities to a director under an employee incentive scheme. If approval is not obtained, the Board would need to consider alternative arrangements to ensure that Ms Lacaze's remuneration package remains competitive and provides an incentive to deliver on the performance targets set by the Board.

## FY21 STI Performance Rights

Under Lynas' Short Term Incentive (STI) Plan, Ms Lacaze can earn an annual incentive based on performance during the financial year. STI Plan performance conditions are set by the Board to align with Lynas' annual operational and financial goals. The performance conditions are chosen to incentivise performance that is consistent with desired business outcomes, and which contributes to longer term growth in shareholder value.

Ms Lacaze's maximum opportunity under the FY21 STI Plan is up to 60% of total fixed remuneration (50% of total fixed remuneration at target). Subject to shareholder approval, half of Ms Lacaze's award under the FY21 STI Plan will be issued in performance rights, with the remaining half to be paid in cash.

In FY21, the Board set performance conditions under the STI Plan for financial and non-financial performance. Financial performance was assessed against achievement of targets for EBITDA, NdPr production and NdPr operating costs. Non-financial performance was assessed in four key areas: (1) Safety/COVID management; (2) ESG; (3) Regulatory; and (4) Growth Projects. The Board has assessed an award at 104.5% under the STI Plan (equivalent to 52.25% of Ms Lacaze's FY21 total fixed remuneration). Further details of the Board's assessment against the FY21 STI Plan Performance conditions is included in the Remuneration Report.

The number of FY21 STI Plan performance rights to be granted to Ms Lacaze under the FY21 STI Plan was calculated by dividing half of the FY21 STI performance outcome (equivalent to 26.125% of Ms Lacaze's FY21 total fixed remuneration) by \$6.604. \$6.604 is the volume weighted average price for the 5 trading days up to and including 25 August 2021, being the date that the Board approved the proposed award of performance rights (subject to shareholder approval). On this basis it is proposed to grant Ms Lacaze 50,410 performance rights.

Ms Lacaze's FY21 STI Plan Performance Rights are subject to a 12 month restriction on exercise, with continued employment at Lynas for a period of 12 months after grant a condition of exercise.

## LTI Performance Rights

Under Lynas' LTI Plan, annual grants of performance rights are made to Ms Lacaze to align remuneration with the creation of shareholder value over the long term.

The Board proposes that Ms Lacaze is granted 149,272 LTI Performance Rights, equivalent to 75% of Ms Lacaze's total fixed remuneration. The number of LTI performance rights to be granted to Ms Lacaze was calculated by dividing 75% of Ms Lacaze FY22 total fixed remuneration by \$6.604. \$6.604 is the volume weighted average price for the 5 trading days up to and including 25 August 2021, being the date that the Board approved the proposed award of performance rights (subject to shareholder approval).

The LTI Performance Rights will be granted with a 3 year vesting period commencing 31 August 2021 and a 2 year exercise period.

The actual number of LTI Performance Rights that will vest will depend on Lynas' performance against performance conditions for Relative TSR and Lynas 2025 Project Targets. These performance conditions have been selected due to their alignment with Lynas' long term strategic goals. The details of the LTI Plan Performance Conditions are as follows:

### (a) Relative TSR (50% weighting)

Relative Total Shareholder Return (TSR) is assessed over a three year period from 1 July 2021 to 30 June 2024, relative to other companies in the ASX200 index (Peer Group Companies). For any performance rights to vest under the

## Explanatory Memorandum

Relative TSR performance condition, Lynas' performance must be equal to or greater than the 51st percentile of Peer Group Companies.

The percentage of the performance rights that may vest will be determined as follows:

<b>Lynas TSR Ranking across the TSR Period</b>	<b>Proportion of Performance Rights that vest</b>
Below 51st percentile	0%
At the 51st percentile	50%
Between the 51st percentile and the 76th percentile	Between 50% and 100% as determined on a straight line basis (rounded up or down to the nearest 5%)
At or above 76th percentile	100%

The Relative TSR Vesting condition was selected because it ensures alignment between competitive shareholder return and reward for the executive. The comparison with peer group companies in the ASX200 index provides an objective, external market-based performance measure relative to Lynas' peer group companies. Relative TSR is widely understood and accepted by key stakeholders.

### **(b) Lynas 2025 Project Target (50% weighting)**

The Lynas 2025 Project Performance Rights will be subject to vesting conditions relating to Lynas delivering the following Lynas 2025 Project targets by 30 June 2024:

- (i) the Lynas Kalgoorlie Rare Earths Processing Facility achieving the capacity to sustain operations at its nameplate capacity (70% weighting); and
- (ii) development of capacity to separate heavy rare earths (30% weighting).

The Lynas 2025 Project Target performance conditions were selected due to their importance to Lynas long term strategic goals.

The successful ramp up to nameplate capacity of the Lynas Kalgoorlie Rare Earths Processing Facility is a key component of the Lynas 2025 Project. The Board will assess this performance condition after 30 June 2024 based on the Kalgoorlie Plant demonstrating the capacity for sustained operation at nameplate capacity in the period from successful commissioning to 30 June 2024. Actual production levels may depend various factors including market factors and the operations of the Lynas Malaysia plant.

Development of the capacity to separate heavy rare earth is an important strategic goal for Lynas. Heavy rare earth separation capacity was included in the LTI Plan for FY19 however, due to the ongoing impact of COVID-19, the FY19 LTI performance condition is unlikely to be met by the required date of 30 June 2022. As this capability remains an important strategic goal, it is appropriate that it is included in the LTI Plan for FY22.

### **Additional information required by ASX Listing Rules**

The following further information is provided to shareholders for the purpose of Listing Rule 10.15:

- (a) Ms Lacaze is a Director of Lynas. Ms Lacaze is the only Director (or associate of a Director) entitled to participate in the Lynas STI and LTI Plans.
- (b) Ms Lacaze's current total remuneration package for FY22 is:

<b>Total Fixed Remuneration</b> (including superannuation)	\$1,314,385
<b>Short Term Incentive</b>	50% of Total Fixed Remuneration at Target, 60% of Total Fixed Remuneration at Maximum
<b>Long Term Incentive</b>	75% of Total Fixed Remuneration

Full details of Ms Lacaze's remuneration are set out in the Remuneration Report.



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- (c) Ms Lacaze has previously received 55,565 STI Performance Rights and 417,712 LTI Performance Rights under the Company's Employee Performance Rights Plan which was approved by shareholders at the Annual General Meeting on 26 November 2020.
  - (d) The performance rights will be granted as employee incentives and therefore will be granted for no additional cash consideration.
  - (e) The terms of the Lynas Employee Performance Rights Plan are set out in Annexure A.
  - (f) Performance rights are being used because they align the interests between executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) until the performance rights vest.
  - (g) Details of any securities issued under the Lynas Employee Performance Rights Plan will be published in the Annual Report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
  - (h) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Lynas Employee Performance Rights Plan after the resolution is approved and who were not named in this notice of meeting will not participate until approval is obtained under Listing Rule 10.14.
  - (i) No loan is granted by the Company for the acquisition of the Performance Rights.
  - (j) The Performance Rights will be issued no later than 12 months after the date of this Annual General meeting.

**Directors' recommendation**

All Directors (with Ms Lacaze abstaining) recommend that shareholders vote in favour of Resolution 3.

A voting exclusion applies to this resolution, as set out earlier in this Notice of Meeting.

# Annexure A

## Terms of the Lynas Employee Performance Rights Plan

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### 1. NAME

This Plan shall be called the Lynas Rare Earths Limited (ACN 009 066 648) – Performance Rights Plan.

### 2. PURPOSE

The Purpose of this Plan is to:

- recognise the ability and efforts of the directors, employees and consultants of the Company who have contributed to the success of the Company;
- provide a long term incentive to the directors, employees and consultants to achieve the long term objectives of the Company and improve the performance of the Company; and
- attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its directors, employees and consultants.

### 3. COMMENCEMENT

This Plan shall take effect from such date as is resolved by the Board of Directors.

### 4. INTERPRETATION

In these rules, unless the context otherwise requires:

“**ASX**” means ASX Limited (ABN 98 008 624 691) or the market conducted by it, as the context requires;

“**Board of Directors**” means the Board of Directors or other authorised delegate of the Board of the Company from time to time acting by resolutions made in accordance with the Corporations Act and the Constitution of the Company;

“**Business Day**” means a day on which trading banks are open for business in Sydney, Australia;

“**Change of Control Event**” means:

- (a) a takeover bid is made to the holders of Shares, where the bidder obtains a relevant interest in more than 50% of Shares and the takeover bid becomes or is declared unconditional;
- (b) a statement is lodged with the ASX to the effect that a person has become entitled to not less than 50% of the Shares (other than as a result of an allotment approved by the Board of Directors);
- (c) the Court sanctions a compromise or arrangement for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other companies under Part 5.1 of the Corporations Act;
- (d) the Company passes a resolution for voluntary winding up;
- (e) an order is made for the compulsory winding up of the Company; or
- (f) a shareholder, or a group of associated shareholders, otherwise acquiring relevant interests in sufficient shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Board of Directors and that ability is successfully exercised;

“**Constitution**” means the Company’s constitution;

“**Company**” means Lynas Rare Earths Limited ACN 009 066 648;

**“Corporations Act”** means the *Corporations Act 2001* (Cth);

**“Director”** means an executive or non-executive director of the Company, from time to time;

**“Eligible Person”** means each individual or corporate entity that is a full-time or part-time employee or consultant of the Company, a Director or an Officer of the Company. The Board of Directors has determined that non-executive Directors may not participate in the Plan;

**“Invitation”** means an invitation to apply for Rights under this Plan in accordance with rule 5;

**“Listing Rules”** means the Listing Rules of ASX;

**“Offeree”** means a person to whom Rights are offered under this Plan;

**“Officer”** has the same meaning as is ascribed to that term in the Corporations Act;

**“Official Quotation”** means quotation on the Official List of ASX;

**“Plan”** means this Plan as amended from time to time;

**“Rights Holder”** means a person who has accepted an offer of Rights under this Plan;

**“Rights”** means the rights offered under this Plan to receive Shares;

**“Right Holder”** means an Offeree who holds Rights under this Plan;

**“Rules”** means these rules as from time to time amended;

**“Shares”** means the ordinary fully paid shares in the capital of the Company;

**“Terms of Grant”** means, in relation to a Right, the terms and conditions upon which that Right is granted as determined by the Board of Directors under these rules and set out in the Invitation;

**“Trust Deed”** means the deed by which any trust established by the Company to assist in the administration of the Plan is constituted; and

**“Vesting Date”** means, in respect of Rights, the date three (3) years after the date on which the Rights were granted, or such other period as is specified by the Board of Directors on the date of grant of the Right.

## 5. ELIGIBILITY

- (a) The Board of Directors may invite any Eligible Person to participate in the Plan in a manner determined by the Board of Directors (Invitation), subject to any approvals of holders of Shares required by law or the Listing Rules.
- (b) If an Offeree makes an application for Rights following receipt of an Invitation, the application constitutes an offer by the Eligible Person to participate in the Plan on the terms set out in the Invitation.
- (c) The Company may revoke an Invitation it has issued at any time until the Company formally accepts an application in respect of the Invitation.
- (d) The Board of Directors may determine that an application by an Eligible Person who would otherwise be eligible to participate under these rules will not be accepted.

## 6. LIMITATION ON TOTAL NUMBER OF RIGHTS

- (a) The combined number of Rights over unissued Shares in the Company that may be issued under this Plan and under any other employee incentive plan at any time shall not exceed 5% of the total number of Shares on issue from time to time.
- (b) Notwithstanding the Plan or the Terms of Grant for any particular Right, no Right may be granted or exercised if to do so:
  - (i) would contravene the Corporations Act or the Listing Rules; or
  - (ii) would contravene the local laws or customs of the Employee's country of residence or in the opinion of the Board of Directors would require actions to comply with those local laws or customs which are impractical.

## 7. NUMBER OF RIGHTS

The number of Rights an Eligible Person is to be allocated shall be determined by the Board of Directors in its sole and absolute discretion. The number of Rights that Directors are to be allocated will be subject to the approval of shareholders in general meeting.

## 8. TERMS AND CONDITIONS OF RIGHTS

Subject to the Listing Rules, each allocation of Rights will be granted:

- (a) on the terms and conditions as determined by the Board of Directors in its sole and absolute discretion and as set out in the Terms of Grant;
- (b) with an expiry date of up to five (5) years after the date on which the Rights were granted;
- (c) on the condition that the Offeree must be an Eligible Person on the Vesting Date.

## 9. RECIPIENT OF SHARES

Subject to rule 18, an Eligible Person may only receive in his/her own name the Shares underlying Rights issued under this Plan.

## 10. OFFER LETTER AND NO CERTIFICATES

The Company shall issue an Invitation to each Offeree setting out the number of Rights offered and the deadline for acceptance of the offer. If an Offeree does not accept the Invitation before the deadline for acceptance, the offer will lapse, and those Rights will not be issued.

No certificates will be issued for the Rights, and the Company's register of Rights Holders will be conclusive evidence of the matters set out therein.

## 11. TERMS AND CONDITIONS OF RIGHTS TO BE ISSUED TO ELIGIBLE PERSONS

- (a) Monies may be payable for the issue of the Rights.
- (b) If a Change of Control Event occurs, Rights do not vest automatically. The general position is that Rights will remain in effect, with no change to the Vesting Date.
- (c) Ultimately, a discretion remains with the Board of Directors as to whether Rights will vest upon a Change of Control Event, and if so, how many. Despite anything contained elsewhere in these Rules, but subject to Rules 11(d) and 12(a), a Right is only exercisable if immediately following the Vesting Date, the Rights Holder is an Eligible Person.
- (d) The Board of Directors may waive or amend the operation of Rule 11(c) 1.1(c) (but so as not to increase the period for the exercise of a Right) as it applies to a Rights Holder in the case of hardship or for any other just reason.
- (e) Each Right shall carry the right in favour of a Right Holder to subscribe for one Share.
- (f) Shares issued to Rights Holders shall be issued for no monetary consideration.
- (g) Rights shall not be listed for Official Quotation on ASX.
- (h) A Rights Holder may not sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of a Right.
- (i) Rights may be issued on the basis that (subject to satisfaction of any vesting or other conditions specified in the Terms of Grant) they will be automatically exercised on a specified date without further action required by the Rights Holder. Subject to satisfaction of any vesting or other conditions specified in the Terms of Grant, all other Rights shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Rights Holder to exercise all or a specified number of Rights. An exercise of only some Rights shall not affect the entitlement of the Rights Holder to the balance of the Rights held by him / her.
- (j) The Company shall allot the resultant Shares within five (5) business days of the exercise of Rights.
- (k) Shares allotted pursuant to Rights shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- (l) The Company shall, in accordance with Listing Rule 2.8, make an application to have Shares allotted pursuant to Rights listed for Official Quotation.

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- (m) Rights Holders do not have any rights with respect to any Shares they may be entitled to under this Plan until the Shares have been validly allotted to that Right Holder.
  - (n) In the event of any reorganisation of capital of the Company, the entitlements of Rights Holders will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation in accordance with the Listing Rules. If the manner is not specified, then the Board of Directors will determine the reorganisation. In any event, the reorganisation will not result in any additional benefits being conferred on Right Holders which are not conferred on shareholders of the Company (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reorganisation of capital) and in all other respects the terms for the exercise of Rights will remain unchanged.
  - (o) The Rights will not give any right to participate in any corporate action (including any dividends or other distribution or participation in new issues) until Shares are allotted pursuant to the Rights.
  - (p) The number of Shares to be issued pursuant to the Rights will be adjusted for bonus issues made prior to the Vesting Date. The effect will be that the number of Shares to be received by the Rights Holder will include the number of bonus Shares that would have been issued if the Vesting Date had occurred prior to the record date for the bonus issue.
  - (q) The Company shall notify each Rights Holder and ASX within one (1) month after the record date for a bonus issue of the adjustment to the number of Shares to which the Rights relate.
  - (r) By submitting a duly completed application, an Offeree is deemed to have agreed to be bound by:
    - (i) the terms of any application form;
    - (ii) the constitution of the Company, as amended from time to time;
    - (iii) the Trust Deed (if any), as amended from time to time; and
    - (iv) the Terms of Grant for the relevant Rights, as amended from time to time.

## 12. TERMINATION OF RIGHTS

- (a) Despite anything contained elsewhere in this Plan, if a Rights Holder ceases to be an Eligible Person prior to the specified Vesting Date of his / her Rights, then unless otherwise determined by the Board of Directors at its sole discretion, the unvested Rights held by the Rights Holder will continue to be subject to the rules of the Plan until the Vesting Date of the Rights, at which time the Rights will vest in accordance with the rules of the Plan.
- (b) If the Board of Directors exercises its discretion to cancel such Rights, such Rights will be cancelled within six (6) months of the Board of Directors' decision, except where the Rights Holder has been retrenched where cancellation will occur within 36 months of the Board of Directors' decision.

## 13. RESTRICTIONS OR ALTERATIONS TO THIS PLAN

- (a) This Plan may be amended at any time by written instrument or resolution of the Board of Directors of the Company subject to any requirements from time to time of the Corporations Act and the Listing Rules.
- (b) Any such amendment however shall not adversely affect the rights of Rights Holders who are granted Rights prior to such amendment without the consent of the Rights Holder, unless such amendment which is introduced with the consent of the Right Holders or is primarily:
  - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) to correct any manifest error or mistake;
  - (iii) to enable contributions or other amounts paid by any body corporate in the Group in respect of the Plan to qualify as income tax deductions for that body corporate, the Company or any other body corporate within the Group; or
  - (iv) to enable any body corporate in the Group to comply with the Corporations Act, the Listing Rules or relevant instruments of relief issued by ASIC from time to time.
- (c) Subject to rule 13(b), any amendment made pursuant to rule 13(a) may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made and, if so stated, amendments to the Plan, including the Terms of Grant of Rights, have the effect of automatically amending the terms of granted but unexercised Rights.

#### 14. RIGHTS OF EMPLOYEES

Except as expressly provided in the Plan, nothing in the Plan:

- (a) confers on any person the right to be granted any Performance Rights;
- (b) confers on any person the right to continue as an employee of, or hold any position in relation to the Company or any member of the Group;
- (c) affects any rights which the Company or any member of the Group may have to terminate the employment or engagement of any person;
- (d) may be used to increase damages in any action brought against the Company or a subsidiary in respect of any termination described in rule 14(c); or
- (e) confers on an individual any expectation to become a Right Holder.

#### 15. POWERS OF THE DIRECTORS

This Plan shall be administered by the Board of Directors who shall have the power to:

- (a) determine procedures from time to time for administration of this Plan consistent with these rules;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with this Plan; and
- (c) delegate to any one or more persons for such period and on such conditions as may be determined by the Board of Directors, the exercise of any of the Board of Directors' powers or discretions arising under this Plan.

The decision of the Board of Directors as to the interpretation, effect or application of the Plan, the exercise by the Board of Directors of any power or discretion under the Plan or the giving of any consent or approval by the Board of Directors in connection with the Plan will be final and conclusive.

#### 16. SUSPENSION OR TERMINATION OF PLAN

This Plan may at any time be suspended or terminated by the Board of Directors, but such suspension or termination shall not affect the rights of holders of Rights issued prior to the suspension or termination.

#### 17. GOVERNING LAW

This Plan shall be governed by, administered and construed in accordance with the Laws of New South Wales.

#### 18. EMPLOYEE SHARE TRUST

Despite anything contained elsewhere in these Rules, Rights may be issued to the trustee of any trust established by the Company to assist in the administration of the Plan (the EST Trustee) to be allocated for the benefit of a specified Eligible Person. Any requirement in these Rules that a Rights Holder be an Eligible Person is satisfied where the EST Trustee holds Rights for the benefit of an Eligible Person.

For personal use only

## CORPORATE DIRECTORY

ABN 27 009 066 648

### Registered Office

Level 1, 45 Royal Street  
East Perth WA 6004

**p** +61 8 6241 3800

**f** +61 8 9242 7219

[general@lynasre.com](mailto:general@lynasre.com)

### Malaysian Office

PT17212 Jalan Gebeng 3  
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26080 Kuantan, Pahang Darul Makmur  
Malaysia

**p** +60 9 582 5200

**f** +60 9 582 5291

[general@lynasre.com](mailto:general@lynasre.com)

### Share Register

#### Boardroom Pty Ltd

Level 12, Grosvenor Place  
225 George Street  
Sydney NSW 2000 Australia

**p** +61 2 9290 9600

**f** +61 2 9279 0664

[enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)



### All Correspondence to:

#### By Mail:

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

#### By Fax:

+61 2 9290 9655

#### Online:

www.boardroomlimited.com.au

#### By Phone:

(Within Australia) 1300 737 760  
(Outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEDT) on Saturday 27 November 2021.**

### TO VOTE ONLINE

**STEP 1: VISIT <https://www.votingonline.com.au/lynasagm2021>**

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### BY SMARTPHONE



Scan QR Code using  
smartphone QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1: Appointment of Proxy

Indicate who you want to appoint as your Proxy

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2: Voting Directions to your Proxy

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3: Sign the Form

The form must be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** Where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** To sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** This form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4: Lodgement

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Saturday, 27 November 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxy forms may be lodged using the enclosed Reply Paid Envelope or:**

**Online** [www.votingonline.com.au/lynasagm2021](https://www.votingonline.com.au/lynasagm2021)

**By Fax** + 61 2 9290 9655

**By Mail** Boardroom Pty Limited  
GPO Box 3993, Sydney NSW 2001 Australia

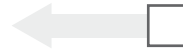
#### Attending the Meeting

If you wish to attend the meeting in person please bring this form with you to assist registration. In light of the evolving COVID-19 situation, please consult [www.LynasRareEarths.com](https://www.LynasRareEarths.com) prior to the meeting to confirm that physical attendance is still available.

# Lynas Rare Earths Limited

ACN 009 066 648

## YOUR ADDRESS:



This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1: Appoint a Proxy

I/We being a member/s of **Lynas Rare Earths Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

**OR** If you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held as a hybrid meeting at the **Fullerton Hotel, 1 Martin Place, Sydney, NSW 2000 and simultaneously on the Lumi platform via <https://web.lumiagm.com/390749184> on Monday 29 November, 2021 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorized to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 & 3, I/we expressly authorize the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 & 3 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 & 3). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

In exceptional circumstances, the Chairman of the Meeting may change their voting intention on any resolution, in which case an ASX announcement will be made.

### STEP 2: Voting Directions

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*
<b>Resolution 1</b> Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-election of Philippe Etienne as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Grant of Performance Rights for the benefit of CEO and Managing Director Amanda Lacaze	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3: Signature of Securityholders

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name: ..... Contact Daytime Telephone: ..... Date: ..... / ..... / 2021