

INCENTIVE PLAN POLICY

INTRODUCTION

This policy applies to directors, employees, and contractors of Core Lithium Ltd and its wholly owned subsidiaries (**Company**) who have been invited to participate in the Company's incentive plan (**Incentive Plan**). This policy should be read in conjunction with, the Incentive Plan 2022 document that details the plan, and its annexures, personalised letter/s of offer and acceptance, as well as any amendment documents. In the event of any conflict between this policy and the Incentive Plan, the Incentive Plan will prevail.

The Company has introduced the Incentive Plan to encourage key directors, employees, and contractors to strive for outstanding performance and to align performance with the strategic business direction of the Company. The Board decides who is eligible to participate in this Incentive Plan at its absolute discretion.

The Incentive Plan comprises short term incentives (**STIs**) and long-term incentives (**LTIs**). Each component is set out in more detail below.

THE INCENTIVE PLAN AND REMUNERATION

The Incentive Plan is a discretionary reward, which is supplementary to an eligible person's Fixed Remuneration (as defined in their letter of offer). There is no legal right to receive any incentive award or payment under the Incentive Plan in any period or in any amount.

Any incentive awards or payments that may be received under the Incentive Plan are not part of an eligible person's usual remuneration and will not be considered in calculating any payment for leave or entitlement on termination of employment.

BOARD DISCRETION UNDER THE INCENTIVE SCHEME

The application of this policy and the Incentive Plan will be overseen by the Board and the Company's Nomination and Remuneration Committee. The Board reserves the right to vary, replace or discontinue this Incentive Plan.

The Board has the absolute discretion to grant (or not grant) any incentive award (whether in cash or equity securities) and to determine the amount of any such award.

TERMINATION OF EMPLOYMENT

An individual must be an eligible person under the Incentive Plan, on the date on which any payment is made under the Incentive Plan, to be eligible to receive any STI or LTI payment (unless otherwise provided under the relevant rules of the Incentive Plan as amended from time to time).

STIs

An employee's STI potential is specified as the greater of a maximum percentage of their Fixed Remuneration set out in their letter of offer (or subsequent amendment letter), or such other percentage of their Fixed Remuneration as determined by the Board.

In determining an eligible person's STI the Board may, in its absolute discretion, consider the individual's performance against various key performance indicators (**KPI**). These KPIs may be any combination of pre-determined KPIs or retrospective KPIs.

STIs are measured over a calendar year commencing 1 January. Any eligible STI payment will be made as soon as practical after the end of the relevant calendar year.

STIs may be paid by either (or through a combination of both) of the following:

- (a) a cash payment into a currently nominated bank account; and/or
- (b) issuing equity securities,

to be determined by the Board at its absolute discretion.

Any STI equity securities issued to a director will be subject to shareholder approval.

LTIs

An eligible person's LTI potential is specified as the greater of a maximum percentage of their Fixed Remuneration set out in their letter of offer (or subsequent amendment letter), or such other percentage of their Fixed Remuneration as determined by the Board.

LTIs are proposed via issue of equity securities to incentivise high level performance and provide the Company with a potential long term retention benefit over a period of at least three years.

New LTIs will be awarded as determined by the Board. The Board will review LTIs on an ongoing basis and may elect to set the date for achievement of KPIs and subsequent vesting of LTIs at any time throughout the relevant year.

In determining an eligible person's LTI the Board may, in its absolute discretion, consider an individual's performance against various KPIs. These KPIs may be any combination of pre-determined KPIs or retrospective KPIs.

Any LTI equity security issued to a director will be subject to shareholder approval.

EQUITY SECURITIES

To the extent that any incentive involves the award of equity securities, such an award will be made in accordance with and governed by the rules of the Incentive Plan as varied from time to time.

Shareholder approval for the grant of LTI or STI equity securities may also be required in other instances, as required by the ASX listing rules or the *Corporations Act 2001* (Cth).

The Board may at its discretion apply a restriction period to trading of Shares issued under the Incentive Plan or on exercise of equity securities.

Version 1.1

Last review and approval: July 2022