

## CORPORATE GOVERNANCE STATEMENT

### For the year ended 30 June 2023

Allkem Limited (**Allkem** or **Company**) is committed to a high level of corporate governance and promoting a culture that values trust, cooperation and mutual respect. Our Board is a strong advocate of good corporate governance and believes that a high standard of corporate governance is paramount for sustainable long-term performance and value creation.

Our Board is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the Company and its stakeholders.

The ASX Listing Rules require the Company to prepare a Corporate Governance Statement (**Statement**) which discloses the extent to which the Company has followed the recommendations contained in the 4<sup>th</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**).

This Statement outlines the Company's key corporate governance policies and practices for the financial year ended 30 June 2023 and is current as at 22 August 2023. This Statement has been approved by the Board.

Unless stated otherwise, the Company considers that it has complied with each of the Principles and Recommendations for the financial year ended 30 June 2023.

Further information about the Company's corporate governance practices can be located on the Company's website at [www.allkem.co](http://www.allkem.co). In this Statement, a reference to the 2023 Allkem Annual Report is a reference to the Company's annual report for the financial year ended 30 June 2023 which is located under the "Investors > Reports and Results" page of the Company's website.

### 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 Board is responsible for approving the objectives and direction of the Company and for guiding and monitoring the management of the Company to achieve its strategic plans.

The Board is collectively responsible for, amongst other things:

- providing leadership and developing, implementing and monitoring strategic operational and financial objectives for the Company and the overall performance of the Company;
- overseeing the implementation of appropriate financial and risk management controls;
- setting, monitoring and ensuring appropriate accountability and a framework for remuneration of Directors and executive officers; and
- overseeing the Company's Risk Management Framework to enable risk to be identified, assessed and managed and to set the risk appetite the Board expects Management to operate within.

The Company has a Board Charter (published under the "Corporate Governance" section of the Company's website) which clearly establishes the relationship between the Board and Management and describes their separate roles and responsibilities.

The Board has delegated to the Managing Director authority over the day-to-day management of the Company and its operations. The Managing Director, supported by other members of the Senior Executive Team, is responsible for managing the day-to-day activities of the Company and advancing the strategic direction of the Company as set by the Board.

Despite this delegation of authority, the Board maintains ultimate responsibility for strategy and control of the Company and its businesses (including challenging Management and holding it to account).

**Recommendation 1.2:** A listed entity should undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director and 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.

Our process for the selection, nomination and appointment of Directors involves a formal selection process coordinated by the Nomination and Governance Committee.

As part of this process, the Nomination and Governance Committee makes recommendations to the Board on the necessary and desirable competencies of directors to ensure that the Board has an appropriate mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities and deliver the Company's corporate objectives.

The Nomination and Governance Committee works with the Board to set the criteria about the general qualifications and experience, as well as the specific qualifications that a candidate should possess.

Prior to the Nomination and Governance Committee recommending that a potential candidate be appointed to the Board, appropriate checks are undertaken on the candidate, including checks as to the candidate's character, experience, education, criminal record and bankruptcy history and any other checks the Nomination and Governance Committee considers appropriate.

As previously announced by the Company (as part of the Board review process):

- Mr. Robert Hubbard and Mr. Martin Rowley retired as Non-Executive Directors of the Company with effect from 3 October 2022 and 15 November 2022 respectively; and
- The Board appointed Mr. Peter Coleman as a Non-Executive Director (and Chair-elect) of the Company with effect from 3 October 2022.

The Company undertook appropriate checks as part of the appointment process for Mr. Coleman.

Further details about the procedure for the selection and appointment of new directors, re-election of incumbent directors and the Board's policy for the nomination and appointment of directors is set out in the Nomination and Governance Committee Charter. A copy of the Nomination and Governance Committee Charter can be found under the "Corporate Governance" section of the Company's website at [www.allkem.co](http://www.allkem.co)

The Company also provides shareholders with all material information in our possession that is relevant to a decision whether or not to elect or re-elect a director (including any material findings arising as a result of background checks run in respect of new directors) in our Notices of Meeting.

**Recommendation 1.3:** A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has a written agreement in place with each Director and Senior Executive which sets out the terms of their appointment.

During the reporting period, the Company entered into a new agreement with Mr. Peter Coleman in relation to his appointment as a Non-Executive Director of the Company.

A summary of the key terms of the employment contracts that the Company has in place with the Managing Director and Key Management Personnel can be found in the 2023 Allkem Annual Report.

**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 Secretaries report directly to the Board through the Chairman, on all matters to do with the proper functioning of the Board and all Directors have access to the Company Secretaries.

The Company Secretaries' role in respect of matters relating to the proper functioning of the Board includes:

- advising the Board and its Committees on governance matters;
- monitoring compliance with Board and Committee policies and procedures;
- coordinating the timely completion and dispatch of Board and Committee papers; and
- ensuring that the business at Board and Committee meetings is accurately captured in the minutes.

Details of the Company Secretaries' experience and qualifications are set out in the 2023 Allkem Annual Report.

**Recommendation 1.5:** A listed entity should:

- (a) have and disclose a diversity policy;
- (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
- (c) disclose in relation to each reporting period the measurable objectives set for that period to achieve gender diversity and the entity's progress towards achieving those objectives and either:
  - (1) 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
  - (2) 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.

Diversity Policy

We respect and value the competitive advantage of diversity and inclusion (which includes but is not limited to gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity) and the benefit of its integration throughout the Company in order to enrich the Company's perspective, improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals.

The Company acknowledges that diversity and inclusion is important to the Company's ability to attract, retain and motivate employees from the widest possible pool of available talent and the Company is committed to diversity and inclusion at all levels.

The Company has adopted a Diversity and Inclusion Policy which is available under the "Corporate Governance" section of the Company's website at [www.allkem.co](http://www.allkem.co)

Measurable Objectives

The Board is responsible for establishing measurable objectives for achieving greater diversity and inclusion at all levels of the Allkem Group (including on the Board) (**Measurable Objectives**). The Board has established the following Measurable Objectives which it considers are appropriate for the current size and structure of the consolidated group:

Objective	Target	Status as at 30 June 2023
1. Proportion of women Directors	30% by the end of FY2023	25%
2. Proportion of women employed in Senior Executive positions	≥30% by the end of FY2025	20%
3. Proportion of women employed across the Allkem Group (including Australia, Argentina and Canada)	≥25% by the end of FY2025	24%

For the purposes of the Measurable Objectives, we define "Senior Executive" as a person who is a member of our Executive Management Team that reports directly to the Managing Director.

In addition, the Company is a "relevant employer" under the Workplace Gender Equality Act.

In light of the proposed merger between the Company and Livent Corporation (announced to the market on 10 May 2023), the Board will not be making any further changes to its composition until shareholders have had the opportunity to vote on the merger proposal. The composition of the Board of the merged entity, including female directors, will be set out in the Scheme Booklet to be sent to shareholders in connection with the Scheme Meeting (currently anticipated to be held around the end of calendar year 2023). Should the proposed merger

not proceed, the Board will review its composition with a view to ensuring that the targeted proportion of women Directors is achieved.

Overall, the Company considers that it has a richness of diversity and inclusion in both its composition and decision making with employees from all over the world working together to achieve a common goal. The Company's employees stem from a broad range of nationalities, cultures and backgrounds – including (without limitation) employees from Argentina, Australia, Canada and China.

**Recommendation 1.6:** A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (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.

The process for periodically evaluating the performance of the Board, its committees and individual directors is set out in both the Nomination and Governance Committee Charter and the Company's Remuneration Policy, copies of which are available in the "Corporate Governance" section of the Company's website at [www.allkem.co](http://www.allkem.co)

In accordance with this process, Board evaluation questionnaires were provided to each member of the Board in order to assess the performance of the individual Director, the Board as a whole, Committees of the Board and the Chief Executive Officer.

The completed questionnaires were provided to the Chair and used as part of the performance evaluations which were undertaken in respect of the reporting period in accordance with the process described in the Nomination and Governance Committee Charter. The recommendations arising from this evaluation have been implemented by the Board.

**Recommendation 1.7:** A listed entity should:

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- (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.

The performance of Senior Executives is reviewed on an annual basis. The process for evaluating the performance of the Company's senior executives is set out in both the People and Remuneration Committee Charter and the Company's Remuneration Policy, copies of which are available under the "Corporate Governance" section of the Company's website at [www.allkem.co](http://www.allkem.co)

During the reporting period, a performance evaluation of our Senior Executives was undertaken in accordance with the above-mentioned procedure. The results of these evaluations for Key Management Personnel are set out in the Remuneration Report which forms part of the Director's Report included in the 2023 Allkem Annual Report.

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

**Recommendation 2.1:** The board of a listed entity should:

- (a) have a nomination committee which has at least three members, a majority of whom are independent directors and is chaired by an independent director; and
- (b) disclose the charter of the committee, the members of the committee and, 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.

The Company has a Nomination and Governance Committee that currently comprises the following members:

- Mr. Peter Coleman (Chair) (Independent, Non-Executive Director);
- Ms. Leanne Heywood (Independent, Non-Executive Director);

- Mr. Alan Fitzpatrick (Independent, Non-Executive Director); and
- Ms. Florencia Heredia (Independent, Non-Executive Director).

As at the date of this Statement, the Nomination and Governance Committee is comprised solely of Non-Executive Directors all of whom are independent and the Chair of the Nomination and Governance Committee is an independent, Non-Executive Director. The Board considers that the composition and size of the Nomination and Governance Committee is appropriate to discharge its mandate effectively. The Committee has the right to seek advice from external consultants or specialists where it considers it necessary or appropriate to do so.

The Nomination and Governance Committee has a formal Charter which sets out, amongst other things, the specific responsibilities of the Committee. A copy of the Nomination and Governance Committee Charter is available under the “Corporate Governance” section of the Company's website at [www.allkem.co](http://www.allkem.co)

Details of the number of meetings held by the Nomination and Governance Committee during the 2023 financial year and the attendance at those meetings are set out in the 2023 Allkem Annual Report.

Information regarding the qualifications of each member of the Nomination and Governance Committee are also included in the 2023 Allkem Annual Report.

**Recommendation 2.2:** A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

There are currently eight (8) Directors on the Board, comprising seven (7) Non-Executive Directors and one (1) Executive Director (the Managing Director). Details of the Directors, including their qualifications, experience and length of service are set out in the 2023 Allkem Annual Report.

We are committed to ensuring that the composition of our Board comprises directors who bring an appropriate mix of skills, experience, expertise and diversity to Board decision making.

The Board, together with the Nomination and Governance Committee, reviews the skills, experience, expertise and diversity represented by Directors on the Board annually and determines whether the composition and mix remain appropriate for the Company's strategy. A periodic review is also undertaken by the Board to determine whether there is a need for existing Directors to undertake professional development to obtain and maintain the skills and knowledge needed to effectively perform their role as Directors.

In order to assist with this review process, a questionnaire designed to assess the skill, experience, independence and diversity of the Board is circulated to each Director for completion.

The table below sets out the collective skills, attributes and experience of the Directors serving on the Board during the period.

<b>Area</b>	<b>Board Skills and Experience</b>
<i>Executive Management</i>	<ul style="list-style-type: none"> <li>▪ Experience as a Director, CEO, CFO or other officeholder or similar in medium to large entities.</li> </ul>
<i>Specific industry knowledge</i>	<ul style="list-style-type: none"> <li>▪ Senior executive, advisory or board experience in a mining or resources organisation.</li> <li>▪ Senior executive responsibility for exploration or long-term board experience in a mining and resources organisation.</li> <li>▪ Relevant tertiary degree or professional qualification.</li> <li>▪ Senior executive experience with capital projects and/or engineering in a mining or resources environment.</li> <li>▪ Broad background and experience in the lithium value chain, as well as the industrials and resources sector including exploration, mining, project development and operations.</li> </ul>
<i>International experience</i>	<ul style="list-style-type: none"> <li>▪ An understanding of the complexities of operating in foreign jurisdictions.</li> <li>▪ Experience working in the country in which the Company's assets are located.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Experience in and exposure to multiple cultural, regulatory and business environments.</li> </ul>
<i>Accounting and finance</i>	<ul style="list-style-type: none"> <li>▪ Senior executive experience in financial accounting and reporting, or business development or board remuneration and nomination committee experience.</li> <li>▪ Relevant tertiary degree or professional qualification.</li> <li>▪ Board audit committee experience.</li> <li>▪ Ability to read and comprehend the Company's accounts, financial material presented to the Board, financial reporting requirements and an understanding of corporate finance.</li> </ul>
<i>Risk management</i>	<ul style="list-style-type: none"> <li>▪ Ability to identify and monitor risks to which the Company is, or has the potential to be, exposed to.</li> </ul>
<i>Experience with financial markets</i>	<ul style="list-style-type: none"> <li>▪ Experience in corporate finance and the equity/debt and/or capital markets.</li> </ul>
<i>Strategy</i>	<ul style="list-style-type: none"> <li>▪ Experience developing and implementing corporate strategy.</li> </ul>
<i>Investor relations</i>	<ul style="list-style-type: none"> <li>▪ Experience in identifying and establishing relationships with shareholders, potential investors, institutions and equity analysts.</li> </ul>
<i>Marketing &amp; Sales</i>	<ul style="list-style-type: none"> <li>▪ Broad international background and experience in the marketing and sale of lithium products.</li> </ul>
<i>Mergers &amp; Acquisitions</i>	<ul style="list-style-type: none"> <li>▪ Experience and knowledge in originating, evaluating and executing M&amp;A transactions and corporate development activity more broadly.</li> </ul>
<i>Legal and Governance</i>	<ul style="list-style-type: none"> <li>▪ Relevant tertiary degree or professional qualification.</li> <li>▪ Listed entity board and/or committee experience.</li> <li>▪ Experience in organisations with a strong focus on and adherence to governance standards.</li> <li>▪ Experience in general corporate, mining, fiscal and labour laws and/or the ability to consider the legal requirements of the Company's business operations and transactions contemplated by the Company, across the multiple jurisdictions in which it operates.</li> </ul>
<i>Sustainability</i>	<ul style="list-style-type: none"> <li>▪ Experience and knowledge of working on sustainability activities directly or as part of operational responsibility.</li> <li>▪ Experience developing, implementing and overseeing ESG systems, process and procedures.</li> </ul>

The Board considers that collectively the Directors possess an appropriate mix of skills, knowledge and experience to enable the Board to discharge its responsibilities and deliver the Company's corporate objectives. The Board benefits from the combination and mixture of Directors' individual expertise, experience and skills in particular areas, as well as the varying insights and perspectives that arise from the collaboration of Directors with diverse backgrounds.

To the extent that any skills are not directly represented on the Board, they are augmented through Management and the appointment of external advisors.

**Recommendation 2.3:** A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

The Board recognises the valuable contribution that independent Directors bring to good corporate governance. All Directors, whether independent or not, are required to act in the best interests of the Company and to exercise unfettered and independent judgment.

The Board reviews the independence of each Non-Executive Director annually and as appropriate. In determining a Director's independence, the Board considers those relationships which may affect independence as contained in the ASX Principles and Recommendations.

In each case, the materiality of the interest, position or relationship is assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

To assist in the assessment of Director independence, a statement was circulated to each Director for the purposes of identifying the existence of any transactions between the Director's related parties and the Company and the impact (if any) they considered such transactions (or other factors) may have had on their independence.

The Board has reviewed the position and relationships of all Directors in office as at the date of our 2023 Annual Report and considers that six (6) of the eight (8) Directors are independent.

The independence and length of service of each Director is as follows:

Director	Position	Independence	Date of Appointment	Length of Service <sup>1</sup>
Peter Coleman	Chair	Independent	October 2022	1 year
Martin Perez de Solay <sup>2</sup>	Managing Director	Non-Independent	January 2019	5 years
Richard Seville <sup>3</sup>	Non-Executive Director	Non-Independent	April 2007	16 years
Fernando Oris de Roa <sup>4</sup>	Non-executive Director	Independent	March 2010	13 years
Leanne Heywood	Non-executive Director	Independent	September 2016	7 years
Florencia Heredia <sup>5</sup>	Non-executive Director	Independent	August 2021	2 years
John Turner <sup>5</sup>	Non-executive Director	Independent	August 2021	2 years
Alan Fitzpatrick	Non-executive Director	Independent	August 2021	2 years

**Notes:**

- Length of service is calculated up to the date of this Statement and round to the nearest whole year.
- Mr. Perez de Solay is an Executive Director and, as such, is not independent.
- Mr. Seville is a former CEO of the Company and was appointed as a Non-Executive Director without a period of at least three years between him ceasing such employment and serving on the Board. Mr. Seville has also served as a Director of the Company for a period greater than 10 years. For these reasons, the Board considers that Mr. Seville is not an independent Director. Despite this assessment, the Board considers that having some Directors who have served on the Board for longer periods helps to ensure continuity of corporate knowledge and experience – particularly as Mr. Seville is a founding Director of Orocobre Limited.
- Despite the fact that Mr. Oris de Roa has served on the Board for a period greater than 10 years, the Board has determined that the length of his tenure is not sufficiently material to interfere with his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party. As stated above, the Board considers that having some Directors who have served on the Board for longer periods helps to ensure continuity of corporate knowledge and experience.
- Mr. Turner and Ms. Heredia are respectively partners of Fasken and Allende & Brea, both of which provide professional services to the Company (as set out in more detail in the Remuneration Report within the 2023 Allkem Annual Report). The Board has determined that the value of these services is not sufficiently material to interfere with the Directors' capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party. In addition, Ms. Heredia does not personally receive the Director's fee paid by Allkem. This fee is paid by Allkem directly to Allende & Brea which then distributes the fee in accordance with its partner remuneration policy.

To foster Director independence, the Directors of the Company meet without management present at the end of every Board meeting. The discussions at these meetings are facilitated by the Chair.

**Recommendation 2.4:** A majority of the board of a listed entity should be independent directors.

At all times during the period, and as at the date of this Statement, the Board has been comprised of a majority of independent Directors.

**Recommendation 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.

The Chair of the Board is elected from the independent Non-Executive Directors.

On 15 November 2022 (during the reporting period), Mr. Peter Coleman was appointed as Chair of the Board. Mr. Coleman (Chair) is an independent Non-Executive Director and is not the same person as the Managing Director/CEO.

Further information about the Chair, Mr. Coleman, is set out in the 2023 Allkem Annual Report.

**Recommendation 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.

New Directors of the Company are provided with a formal letter of appointment which sets out the key terms and conditions of their appointment, including their duties, rights and responsibilities, the time commitment envisaged, expectations regarding involvement with Committee work and their responsibilities with respect to acting in a capacity other than as a Director of the Company.

The Board is responsible for providing new Directors with an induction to the Company and for providing adequate professional development opportunities for Directors. The Director induction program covers the Company's financial, strategic, operational and risk management position, and includes a meeting with key executives of the Company to gain an insight into the values and culture of the Company. Consistent with Recommendation 2.6 of the Principles and Recommendations, and in addition to the formal induction program, the Directors are provided with papers, presentations and briefings on an ongoing basis on the operations of the Company and on matters which may affect the business or operations of the Company.

In addition, the skills matrix completed by each Director in respect of the reporting period provides an opportunity for Directors to indicate their desire to receive additional professional development or training. The Board has agreed that such additional professional development or training required by a Director will be at the expense of the Company.

All Directors have unrestricted access to employees of the Company and, subject to the law, access to all Company records and information held by the Company and its external advisers. In addition to presentations by Senior Executives at Board meetings, Directors may seek briefings from Senior Executives on specific matters.

Each Director, the Board and the Board Committees may obtain independent professional advice at the Company's expense, as considered reasonable and necessary, subject to prior approval of the Chair.

Directors are entitled to reimbursement of all reasonable costs in obtaining such independent professional advice which has been approved by the Chair. In the case of a request made by the Chair, approval is required from the Chair of the Audit and Risk Committee.

**PRINCIPLE 3: INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

**Recommendation 3.1:** A listed entity should articulate and disclose its values.

The Company's values are articulated in the "About" > "Our Company" section of the Company's website at [www.allkem.co](http://www.allkem.co). More information on the Company's values can also be found in the 2023 Allkem Annual Report and the Allkem 2022 Sustainability Report.

**Recommendation 3.2:** A listed entity should have and disclose a code of conduct for its directors, senior executives and employees and ensure that the board or a committee of the board is informed of any material breaches of that code.



The Company has adopted a new Code of Conduct, a copy of which is available under the “*Corporate Governance*” section of the Company’s website at [www.allkem.co](http://www.allkem.co)

The Board and Management team are committed to not only complying with the Company’s legal obligations but also to acting ethically and responsibly. The Board and the Management Team encourages all employees, consultants, contractors and anyone who represents Allkem in any of the Company operations to consider the principles of the Code of Conduct and use them as a guide to determine how to respond when acting on behalf of the Company.

The Code of Conduct provides that all material contraventions of the Code are reported directly to the Board (including in accordance with the processes set out in the Company’s Whistleblower Policy).

**Recommendation 3.3:** A listed entity should have and disclose a whistleblower policy and ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

The Company has a Whistleblower Policy, a copy of which is available under the “*Corporate Governance*” section of the Company’s website at [www.allkem.co](http://www.allkem.co)

The outcomes of investigations made under the Policy will be provided to the Managing Director & CEO, the Chair of the Board and such other persons, if any, as the Chair determines appropriate.

**Recommendation 3.4:** A listed entity should have and disclose an anti-bribery and corruption policy and ensure that the board or a committee of the board is informed of any material breaches of that policy.

The Company has a zero-tolerance approach towards bribery and corrupt conduct. Allkem and its personnel will not engage in any form of bribery or other corrupt conduct.

A copy of the Company’s Anti-Bribery and Corruption Policy is available under the “*Corporate Governance*” section of the Company’s website at [www.allkem.co](http://www.allkem.co)

The Anti-Bribery and Corruption Policy provides that investigations regarding reported actual or suspected breaches of the Policy and any adverse findings are reported to the Board.

#### **PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

**Recommendation 4.1:** The board of a listed entity should:

- (a) have an audit committee which has at least three members, all of whom are non-executive directors and a majority of whom are independent directors and is chaired by an independent director who is not the chair of the board; and
- (b) disclose the charter of the committee, the relevant qualifications and experience of the members of the committee and, 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.

The Company has an Audit and Risk Committee that currently comprises the following members:

- Ms. Leanne Heywood (Chair) (Independent, Non-Executive Director);
- Mr. John Turner (Independent, Non-Executive Director); and
- Mr. Fernando Oris de Roa (Independent, Non-Executive Director).

As at the date of this Statement, the Audit and Risk Committee is comprised of at least three members, all of whom are Non-Executive Directors and all of whom are independent. In addition, the Chair of the Audit and Risk Committee (Ms. Heywood) is an independent, Non-Executive Director who is not the Chair of the Board. The Board considers that Ms. Heywood is suitably qualified to hold the role as Chair of the Audit and Risk Committee.

The Board considers that the composition and size of the Audit and Risk Committee is appropriate to discharge its mandate effectively. The Committee has the right to seek advice from external consultants or specialists where it considers it necessary or appropriate to do so.

The Audit and Risk Committee has a formal Charter which sets out, amongst other things, the specific responsibilities of the Audit and Risk Committee. A copy of the Audit and Risk Committee Charter can be found under the “Corporate Governance” section of the Company’s website at [www.allkem.co](http://www.allkem.co)

Details of the number of meetings held by the Audit and Risk Committee during the 2023 financial year and the attendance at those meetings are set out in the 2023 Allkem Annual Report. Information regarding the qualifications of each member of the Audit and Risk Committee can also be found in the 2023 Allkem Annual Report.

**Recommendation 4.2:** The board of a listed entity should, before it approves the entity’s financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Before the Board approved the financial statements for the financial year ended 30 June 2023, the Managing Director/CEO and the Acting Chief Financial Officer provided the Board with declarations that:

- in their opinion, the financial records of the Company have been properly maintained;
- in their opinion, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and
- their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

In line with Recommendation 4.2 of the Principles and Recommendations, similar assurances were provided to the Board for the Company’s half year financial statements and report.

**Recommendation 4.3:** A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Company’s external auditor reviews the annual Directors’ Report, annual Remuneration Report and the annual and half yearly financial statements. The balance of periodic corporate reports (including the quarterly Production Reports, annual Corporate Governance Statement and annual Sustainability Report) are subject to an internal review process by the relevant functional areas.

The internal review process comprises:

- preparation of draft reports and documents by the responsible functional managers with input from the Investor Relations team;
- review meetings and content sign-off by responsible managers; and
- final approvals by the Managing Director/CEO, applicable members of the Executive, the Chair of the Board and the Board (as appropriate).

## **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 Company understands the importance of open, clear and timely communication with its shareholders and investors as well as complying with its continuous disclosure obligations to the market.

The Company has a Disclosure Policy which is directed to ensuring that we comply with our continuous disclosure obligations under the ASX Listing Rules and the Corporations Act. A copy of our Disclosure Policy is available under the “Corporate Governance” section of the Company’s website at [www.allkem.co](http://www.allkem.co)

**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 Company’s internal ASX release lodgment procedure, the Board receives draft copies of all material market announcements prior to lodgment and copies of all material market announcements

promptly after they are made. This is to ensure that the Board has direct input and timely visibility of the nature and quality of all material information being disclosed to the market.

**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.

The Company ensures that copies of new and substantive investor or analyst presentations are released on the ASX Market Announcements Platform ahead of the relevant presentation, in accordance with the Company's Disclosure Policy.

## PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

**Recommendation 6.1:** A listed entity should provide information about itself and its governance to investors via its website.

Information about the Company and its governance can be found on our website at [www.allkem.co](http://www.allkem.co).

There is a range of information available on our website, including amongst other things, information about:

- the Company's projects;
- our approach to sustainability and the Company's sustainability reporting;
- Directors and Senior Executives; and
- the Company's corporate governance practices, policies and charters.

Announcements are also made available under the "Investors" section on our website following release on the ASX Market Announcements Platform.

**Recommendation 6.2:** A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

We value a direct, two-way dialogue with shareholders and investors, and we are committed to providing relevant information in a timely manner and to listen to and understand shareholders' and investors' feedback. Material or otherwise significant comments or concerns raised by investors are conveyed by Management to the Board.

We have an investor relations program to promote effective communication with our shareholders and investors, and to encourage participation at the Company's shareholder meetings. The Company has a Corporate Development and Investor Relations team (with a dedicated Investor Relations Manager) which manages the Company's investor relations program.

As part of our investor relations program, we seek to arrange both scheduled and ad hoc interactions with institutional investors, private investors and analysts, including investor briefings following the release of our half year and full year financial results. The presentation materials provided at these events are released to the ASX as required and uploaded to the "Investors" section of our website.

Contact with the Company can be made via an email address and a phone number provided under the "Contact" section of the Company's website.

**Recommendation 6.3:** A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

We seek to conduct our general meetings of shareholders in a manner that facilitates effective communication with shareholders and allows reasonable opportunity for informed shareholder participation.

At the Company's Annual General Meeting (AGM), shareholders have the opportunity to hear directly from the Chair of the Board and the Managing Director on the Company's performance and strategic objectives, to ask questions on important issues, and to vote on resolutions.

Notices of Meeting are accompanied by explanatory notes to enable shareholders to assess and make an informed decision on the resolutions put forward at the meeting. Full copies of the Notices of Meeting and explanatory notes are posted on the Company's website ([www.allkem.co](http://www.allkem.co)) as soon as they have been released

on the ASX Market Announcements Platform. In addition, the Managing Director's AGM address is released to the ASX and posted on the Company's website before the AGM. Further, shareholders are invited to submit questions in advance of the AGM so that the Company can ensure those questions are adequately addressed at the AGM.

To foster and encourage greater shareholder participation, the Company hosted its 2022 AGM in a hybrid format – meaning that shareholders could either attend in person at the physical location or virtually. Shareholders who attended the AGM in person were given the opportunity to ask questions of the Board and Management. For those shareholders who participated virtually, the live webcast included a facility for shareholders to ask questions during the Meeting. Through both of these means, the Chair allowed a reasonable opportunity for shareholders to ask questions of the Board and the Company's external auditors, Ernst & Young.

**Recommendation 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.

All resolutions put to shareholders at the Company's 2022 AGM were decided by way of a poll (rather than a show of hands). The same procedure will be adopted for the Company's 2023 AGM.

**Recommendation 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.

In the interest of promoting effective communication with our shareholders, shareholders have the option of communicating with the Company and its share registry electronically.

Contact with the Company can be made via the phone number and the email address provided under the "Contact" section of our website [www.allkem.co](http://www.allkem.co) or by emailing the Company at: [info@allkem.co](mailto:info@allkem.co)

The Company's share registry (Computershare) provides a facility whereby investors can provide email addresses to receive correspondence from the Company electronically and investors can contact Computershare via telephone or email. Details of the Company's share registry (Computershare) are also included under the "Contact" section of our website at [www.allkem.co](http://www.allkem.co)

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

**Recommendation 7.1:** The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which has at least three members, a majority of whom are independent directors and is chaired by an independent director; and
- (b) disclose the charter of the committee, the members of the committee and 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.

We recognise that risk is an accepted part of doing business and that effective management of risk is vital to delivering on our objectives, success and continued growth.

We are committed to managing our material business risks in a proactive and effective manner. In addition, the Board is responsible for satisfying itself that Management has developed and implemented a sound system of risk management and internal control.

The Board has delegated oversight of the Risk Management Framework, including the review of the effectiveness of the Company's internal control system and risk management process, to the Audit and Risk Committee.

The Audit & Risk Committee is responsible for:

- monitoring Management's performance against the Company's Risk Management Framework, including whether Management is operating within the risk appetite set by the Board;
- receiving and assessing reports from Company' internal audit function;
- receiving and assessing reports from Management on new and emerging sources of risk and the risk controls and mitigation measures that Management has put in place to ameliorate those risks; and

- making recommendations to the Board in relation to changes to the Company's Risk Management Framework or to the risk appetite set by the Board.

Details about the Audit and Risk Committee, its composition and membership and the number of meetings held during the 2023 financial year are set out above in response to Recommendation 4.1.

As at the date of this Statement, the Audit and Risk Committee is comprised of at least three members, all of whom are Non-Executive Directors and all of whom are independent. In addition, the Chair of the Audit and Risk Committee (Ms. Heywood) is an independent, Non-Executive Director who is not the Chair of the Board. The Board considers that Ms. Heywood is suitably qualified to assume the role as Chair of the Audit and Risk Committee.

**Recommendation 7.2:** The board or a committee of the board should:

- (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
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board is responsible for regularly, and at least on an annual basis, reviewing and approving the Company's risk management strategy, policy and key risk parameters (**Risk Management Framework**).

The Board and the Audit and Risk Committee conducted a review of the Company's Risk Management Framework during the reporting period. Following this review, the Board is satisfied that Management have developed and implemented a sound system of risk management and that the Company is operating with due regard to the risk appetite set by the Board.

**Recommendation 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.

The Company has a formal, dedicated Internal Audit function to evaluate and continually strive to improve the effectiveness of the Company's governance, risk management and internal control processes.

The Internal Audit function provides independent assurance over the governance, compliance and internal control systems and processes across the business. The Internal Audit function reports directly to the Chair of the Audit and Risk Committee.

The Board, through the Audit & Risk Committee, oversees the effectiveness of the risk management and internal control processes.

Management are charged with resourcing, operating and monitoring the system of internal control, incorporating risk responses in the form of controls into its management systems, and reporting results regarding the effectiveness of internal controls to the Board.

**Recommendation 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.

The Company has established a Sustainability Committee. The Sustainability Committee currently comprises the following members:

- Mr. Richard Seville (Chair) (Non-Independent, Non-Executive Director);
- Mr. Alan Fitzpatrick (Independent, Non-Executive Director); and
- Mr. Fernando Oris de Roa (Independent, Non-Executive Director).

The Sustainability Committee is responsible for overseeing the Company's identified material environmental and social risks which include:

- *Environmental risks* – failure to obtain and comply with applicable regulations, licences, permits and approvals; the occurrence of a major environmental incident at one of the Company’s sites; and climate change related risks.
- *Social risks* – the occurrence of a major safety incident or fatality; loss of social licence to operate; failure to comply with relevant legislative requirements; human rights violations and fraud and corruption.

Further details of the Company’s material business risks and the other material exposures to environmental (including climate change) and social risks (including how the Company seeks to manage these risks), are discussed in the “Risks” section of the 2023 Allkem Annual Report and in the Allkem Sustainability Report 2022 (including associated Management Approach Disclosures) which are available at [www.allkem.co](http://www.allkem.co)

In addition, the Company has dedicated HSE and Sustainability personnel who are responsible for identifying and managing environmental and social risks across the different jurisdictions in which the Company operates. These personnel report directly to the Chief Sustainability and External Affairs Officer.

The Company currently works closely and collaboratively with the communities located near its operations, including taking community interests into account in project design and management, implementing various initiatives to support the development of local communities and creating local employment opportunities.

Details of the Company’s sustainability approach, key material topics and performance are available under the “Sustainability” section of the Company’s website at [www.allkem.co](http://www.allkem.co). The most recent Allkem Sustainability Report 2022 is also available under the “Sustainability” section of the Company’s website.

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

**Recommendation 8.1:** The board of a listed entity should:

- have a remuneration committee which has at least three members, a majority of whom are independent directors and is chaired by an independent director; and
- disclose the charter of the committee, the members of the committee and as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of members at those meetings.

The Company has a People and Remuneration Committee comprising:

- Mr. John Turner (Chair) (Independent, Non-Executive Director);
- Mr. Richard Seville (Non-Independent, Non-Executive Director); and
- Ms. Florencia Heredia (Independent, Non-Executive Director).

As at the date of this Statement, the People and Remuneration Committee is comprised of at least three members, all of whom are Non-Executive Directors. In addition, the majority of the People and Remuneration Committee are independent directors, and the Chair of the People and Remuneration Committee (Mr. Turner) is an independent director.

A copy of the People and Remuneration Committee Charter is available under the “Corporate Governance” section of the Company’s website at [www.allkem.co](http://www.allkem.co)

Details about the People and Remuneration Committee, its composition and membership and the number of meetings held during the 2023 financial year are included in the 2023 Allkem Annual Report.

Mr. Turner is an independent, Non-Executive Director who the Board considers is suitably qualified to assume the role as Chair of the People and Remuneration Committee.

**Recommendation 8.2:** A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The People and Remuneration Committee is delegated responsibility by the Board for reviewing the remuneration packages of all Directors and Key Management Personnel (**KMP**) on an annual basis and making recommendations to the Board in this regard. The specific responsibilities of the People and Remuneration

Committee are set out in the Committee's Charter, which is available under the "Corporate Governance" section of the Company's website at [www.allkem.co](http://www.allkem.co)

Non-Executive Directors are paid fixed fees for their services in accordance with the Company's Constitution and as part of an aggregate remuneration pool approved by Shareholders. There are no incentive or "at risk" remuneration components in place for Non-Executive Directors. Fees paid to our Non-Executive Directors are set at levels which reflect both the responsibilities of, and time commitments required from each Non-Executive Director to discharge their duties.

Non-Executive Directors' fees are reviewed annually by the Board to ensure they are appropriate for the duties performed, including Board Committee duties, and are in line with both Company performance and market remuneration. Other than statutory superannuation, Directors are not entitled to retirement allowances. The Company encourages its Non-Executive Directors to accumulate a reasonable shareholding over time, relative to the amount of the annual Non-Executive Directors' fee. The Company's expectation (as stated in each Director's letter of appointment) is that each Non-Executive Director will accumulate shares at a cost equivalent to one year's Director's fees over a period of 5 years.

Our Managing Director and Senior Executives are generally remunerated by way of a fixed annual remuneration component and an incentive or "at risk" remuneration component. The incentive or "at risk" remuneration component comprises both a short-term incentive (STI) and long-term incentive (LTI). The mix of remuneration components and the measures of performance used in the incentive plans are chosen by the Board to ensure that there is a strong link between remuneration, Senior Executive performance and sustainable Company performance to increase shareholder value.

Senior Executives who have an incentive or "at risk" component to their total remuneration packages, have defined performance conditions which are set at the start of the financial year (in the case of the annual STI plans) or at the commencement of the plan (in the case of the LTI plans).

Further details of the remuneration and all monetary and non-monetary components for each of the Company's Key Management Personnel during the year, and for each of the Directors during the year, are set out in the Remuneration Report which forms part of the Director's Report and is included in the 2023 Allkem Annual Report.

**Recommendation 8.3:** A listed entity which has an equity-based remuneration scheme should:

- (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
- (b) disclose that policy or a summary of it.

As outline above in response to Recommendation 8.2, the Company has both a STI plan and a LTI plan which entitle participants to equity-based remuneration. Under the Company's Trading Policy, personnel who participate in an equity plan operated by the Company are not permitted to enter into transactions in products associated with the Company's securities which operate to limit the economic risk of their security holding in the Company over unvested entitlements (for example, hedging arrangements).

A copy of the Company's Trading Policy is available under the "Corporate Governance" section of our website at [www.allkem.co](http://www.allkem.co)