




# COMPANY POLICY

## Remuneration - Internal

### LIT-POL-023

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## 1. PURPOSE

The Group's remuneration philosophy is to provide a competitive, fair, and consistent strategy that reflects the scale up nature of the business units. Our remuneration philosophy is designed to attract, motivate, and retain talent while ensuring that we operate within our financial means. We seek to attract candidates who align with our values. We are committed to creating a culture of fairness and transparency. The Group's Remuneration Policy and application is overseen by the Remuneration and Nominations Committee with recommendations approved by the Board (as required).

The principles of the Group's remuneration philosophy are to:

- Adopt a competitive fixed remuneration market position to support the motivation and retention of employees within the critical materials industry.
- Offer a variable reward component to incentivise performance delivery against agreed Safety, Financial and Individual performance objectives.
- To reward meaningful outcomes which contribute to shareholder value.

## 2. SCOPE

This Policy applies to all managers and employees at all levels within the Group.

## 3. DEFINITIONS

This Policy applies to all managers and employees at all levels within the Group.

## 4. PRINCIPLES

The Remuneration Policy of the Group is guided by the following principles, which shape the remuneration programs and subsequent actions:

- **Fairness and Consistency:** Remuneration aligns with assigned responsibilities and demonstrated capabilities.
- **Alignment with Group Strategies:** Remuneration is consistent with the Group's strategies and defined objectives.
- **Competitiveness:** Remuneration practices are competitive relative to industry and market trends.
- **Merit and Performance Outcomes:** Remuneration recognises and rewards performance, results, behaviours, and demonstrated values.
- **Clear Governance and Regulatory Compliance:** Remuneration practices adhere to clear governance principles and comply with regulatory frameworks.

## 5. REMUNERATION STRUCTURE

The Remuneration Policy aims to attract, retain, and motivate staff while remaining consistent with the business strategy by maintaining an appropriate balance between variable and fixed components. It establishes a direct link between individual performance and compensation.

External market research is conducted to ensure that compensation practices are in line with prevailing market conditions in terms of quality and value.

The Group's remuneration structure includes the following:

- Base salary.
- Superannuation.
- Leave Loading (for some award covered employees).
- Variable Component (short-term and long-term).
- Benefits.

## 5.1 Base Salary

The Group offers competitive base salaries that are in line with market benchmarks for similar roles in businesses of the same size and complexity.

Market benchmarks include Mercer general market data and specialist Engineering and Scientific surveys which are used to determine Group wide salary review budgets and individual annual salary review increases. Annual salary review increases take effect on 1 September of each year.

The Group pays at the Median or 50th percentile of the General Market. Base salary adjustments will factor movements in the external salary market. The emphasis is on preserving market competitiveness, rather than on automatic increases on a guaranteed basis.

## 5.2 Superannuation

Superannuation contributions are made on behalf of employees, at the minimum rate required by law, into a superannuation fund of their choice (provided that the chosen fund is a complying superannuation fund). Employees may make additional voluntary superannuation contributions and they are subject to any applicable statutory limits and the rules governing their superannuation fund. The Group's default superannuation fund is Australian Super.

## 5.3 Leave Loading

Leave loading is included in employee's remuneration, other than where an Award or other legal requirement stipulates that leave loading is to be paid. Any leave loading payment will be at the prescribed rate.

## 5.4 Variable Component

### 5.4.1 Short Term Incentive (STI)

The STI arrangements are dependent on achieving financial and safety hurdles, and key job goals in the relevant financial year with any Board approved bonus amounts paid in September of that year.

The criteria are as follows:

- **Safety:** measured based on lag performance being the number of LTI's, and personal involvement in safety audits / process improvement / observations. Note: there is a *Safety Gate* whereby a fatality would result in no STI payments for any member of the executive leadership team (ELT), regardless of the area of the fatality. This would also cascade down to management at the next level who would also not qualify for an STI if the fatality was in their area of responsibility.
- **Financial performance:** measured by achievement of financial targets. If the financial targets are not achieved, this will result in 10% deduction to STI target.
- **Specific key job goals:** measured through agreed KPIs and displaying the Group's values to deliver the Annual Improvement Plan.

Note: a productivity bonus arrangement exists for Battery Recycling operations and maintenance fitters to reward safety, attendance and operational excellence and plant maintenance based on agreed targets as outlined in Appendix A and B.

To be eligible for a payment, the employee must:

- have been employed with the Group for at least 6 months of the relevant financial year;
- successfully passed through their probationary period before the end of the relevant financial year and have received a Competent performance review rating or above for the full year;
- still be employed by the Group at the time of payment; and
- have not resigned or be serving a period of notice of termination.

### 5.4.2 Long Term Incentive (LTI)

To align the interests of our employees with the long-term success of the Group, we may offer share options or equity grants to eligible employees. The allocation and vesting schedule will be determined on a case-by-case basis.

## 5.5 Other Allowances

The Group does provide allowances to enable employees to carry out the requirements of their role as follows:

- **Car Allowances:** for Customer Solutions employees whose core function is to meet with customers offsite to secure or retain key accounts.
- **Mileage Allowance:** to cover the costs of regular travel between sites.
- **Mobile Phone:** for those employees required to make or take Group calls.

## 5.6 Benefits

The Group offers a range of other non-monetary benefits to attract and retain employees.

They include:

- Paid Parental Leave of 8 weeks plus superannuation on paid and unpaid leave up to 52 weeks.
- Employee Assistance Program.
- Salary Packaging (Novated Leases).
- Employee referral program.

## 6. CLASSIFICATION STRUCTURE

The remuneration framework is underpinned by a classification structure that includes five broad bands used to manage pay as follows:

Table 6-1 Employee classification structure

Employee Category	Band
Executive Leadership Team	1
Mid-Level managers	2
Front Line Managers / Specialist / Technical Contributors	3
Individual Contributors	4
Warehouse Operators	5

## 7.COMPLIANCE AND LEGAL STRUCTURES

The Group ensures that its' remuneration practices comply with all relevant labour laws, tax regulations, and other statutory obligations. We actively promote pay equity and diversity within our workforce.

## 8. REVIEW AND ADJUSTMENTS

This Remuneration Policy will be periodically reviewed to ensure its effectiveness in achieving the Group's goals. Adjustments will be made as needed to address the changing needs of the Group and the evolving job market.

## Appendix A - Productivity Bonus Structure - Operators

The productivity bonus structure for operators within the battery recycling division aims to incentivise employees to achieve high standards in safety, attendance, absenteeism, and productivity and operational efficiency, reinforcing a positive work culture and contributing to the overall success of the Group's operations. The bonuses will be paid monthly. Activities will be recorded daily through log sheets.

Key Performance Metrics are as follows:

### **Safety:**

- Adherence to Safety protocols
- Identification and resolution of safety hazards
- Reporting of all incidents.

### **Attendance and Absenteeism:**

- Punctuality and regular attendance.
- Minimal unplanned absences.

### **Productivity and Operational Efficiency (OEE):**

- Achievement of production / volume and if relevant, operational efficiency targets.
- Continuous improvement suggestions.

The bonus will be a tiered performance bonus structure as follows:

#### **Tier 1 (Safety):**

- Achieve 100% adherence to safety protocols
- Achieve hazard identification reporting targets.
- Bonus: 1% (20%) of monthly bonus per employee.

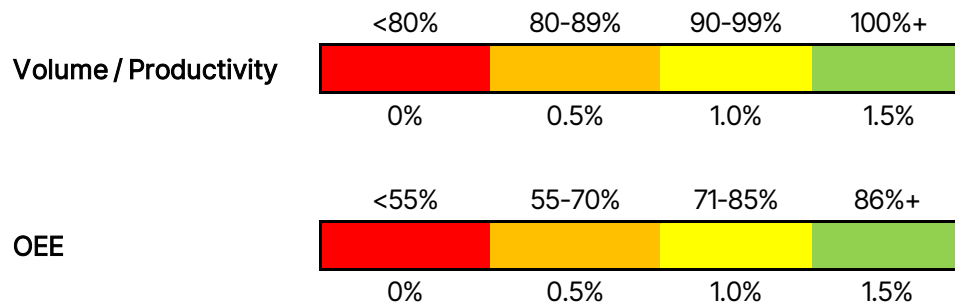
#### **Tier 2 (Attendance and Absenteeism):**

- Maintain a punctuality and attendance rate of 95% or above annually. This is calculated based on 8.33 hours or below each month.
- If a medical certificate is provided, this will not impact on the absenteeism rate.
- If unpaid leave is taken for personal leave (without certificate) or annual leave (given no accrual), then the employee will not be entitled to this portion of bonus.
- It is assumed that the employee will work a minimum of 2 weeks in the relevant month to be able to make a meaningful contribution to the targets.
- Bonus: 1% (20%) of monthly bonus per employee.
- Note: Annual leave of 4 weeks per annum has been factored into the targets.

#### **Tier 3 (Productivity and Operational Excellence):**

- Achieve or exceed volume / production targets (1.5%)
- Achieve operational efficiency targets (1.5%).
- Suggest and implement at least one efficiency improvement.
- Note: if OEE targets are not relevant, 3% will be applied to volume / production targets.
- Bonus: 3% (60%) of monthly bonus per employee.

The allocation of the Volume / Productivity and OEE targets will be as follows:



### Timing

The bonuses will be calculated within week 2 of the following month and communicated to employees. Bonuses will be paid into their bank account in week 3 of the following month.

### Benefits of the Scheme

The key benefits of the bonus structure are:

- **Motivation and Engagement:** Employees will be motivated to excel in multiple areas, leading to a more engaged workforce.
- **Continuous Improvement:** Encourages employees to actively participate in safety initiatives and suggest improvements.
- **Retention and Attendance:** Rewards employees for maintaining good attendance records, contributing to lower absenteeism.
- **Enhanced Productivity:** Directly ties individual and team efforts to productivity targets, fostering a culture of efficiency.
- **Financial Recognition:** Provides tangible financial recognition for outstanding performance.



## Appendix B - Productivity Bonus Structure - Maintenance

The productivity bonus structure for mechanical fitters within the battery recycling division aims to incentivise employees to achieve high standards in safety, attendance, absenteeism, planned maintenance, breakdown response and inspections. The bonuses will be paid quarterly with activities will be captured through Jot Form.

Key Performance Metrics are as follows:

### Safety:

- Adherence to Safety protocols
- Identification and resolution of safety hazards
- Reporting of all incidents.

### Attendance and Absenteeism:

- Punctuality and regular attendance.
- Minimal unplanned absences.

### Breakdown Response & Inspection Checklists:

- Achievement of equipment breakdown response within agreed timeframes.
- Completion of inspection checklists within agreed timeframe.
- Proactive maintenance in line with maintenance plan (from April 2024 onwards).

The bonus will be made up of three components as follows:

### Component 1 (Safety):

- Achieve 100% adherence to safety protocols
- Achieve hazard identification and near miss reporting targets.
- Bonus: 1% (20%) of monthly bonus per employee.

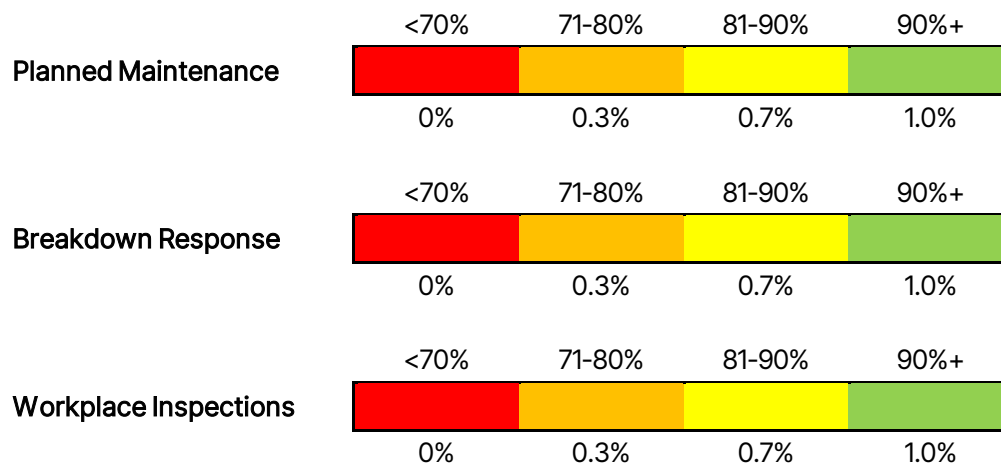
### Component 2 (Attendance and Absenteeism):

- Maintain a punctuality and attendance rate of 95% or above annually. This is calculated based on 0.83 or below each month.
- It is assumed that the employee will work a minimum of 2 weeks in the relevant month to be able to make a meaningful contribution to the targets.
- Bonus: 1% (20%) of monthly bonus per employee.
- Note: Annual leave of 4 weeks per annum has been factored into the targets.
- Management discretion to be applied for personal leave with medical certificate taking into account employee's attendance record.

### Component 3 Planned Maintenance, Breakdown Response & Inspection Checklists

- Achieve or exceed breakdown response (>90%) or less than 1 hour.
- Complete inspection checklists (>90%).
- From April 2024, completion of Planned Maintenance as per plan.
- Bonus: 3% (60%) of monthly bonus per employee.

The allocation will be as follows:



**Timing**

The bonuses will be paid quarterly.

