

Environmental, Social and Governance (ESG) Committee Charter

OUR VISION

To be a responsible uranium producer, building strong local communities, a safe and healthy work environment, and making a positive contribution to a carbon-free future.

1. Purpose

The ESG Committee (**Committee**) is a committee of the Board.

The Committee's role is to assist the Board to fulfil its responsibilities in relation to environmental, social, and governance matters arising out of the Company's activities and sustainability reporting.

2. Our ESG Values

The Company is committed to the goal of sustainable development. The Company values the promotion and creation of shared wealth, becoming a significant uranium supplier, operating at good international industry practice, safety and environmental stewardship, employee welfare and recognition, and the meaningful contribution to the welfare of local communities in the country in which the Company operates.

Lotus respects the extra diligence that is required by those in the uranium industry and emphasises acting with integrity, honesty, and cultural sensitivity in all its dealings.

3. Committee Authority

The Committee is a review and advice committee with no decision-making authority and holds no delegated authority from the Board unless otherwise expressed in this Charter.

This Charter details the functions and the manner in which the Committee will operate.

In making decisions and recommendations, the Committee may take into account:

- these terms of reference;
- legal requirements, including the provisions and recommendations in applicable listing rules and standards of corporate governance applicable in each of the jurisdictions in which the Company operates;
- key market trends and the broader external environment, in particular, the existing and developing ESG and regulatory environment;

- the activities of the Board's other committees and, where appropriate, co-ordinate with and consider information arising out of those committees that affect the Company's risk management, financial and corporate reporting, and compliance obligations; and
- any other factors it deems relevant.

4. Key Responsibilities of the Committee

4.1. ESG Strategy and Reporting

- review and monitor sustainability policies, practices, and disclosures that conform with the Company's ESG strategy.
- support the development and implementation of a contemporary and sophisticated framework for ESG reporting based on an agreed multi-year roadmap.
- review measurable objectives and targets against the sustainability strategy ensuring an evidence-based approach to reporting and data collection with best-in-class benchmarks.
- review and recommend to the Board for approval the Sustainability Report and other related information regarding sustainability matters.
- review public positions on key sustainability issues and non-financial governance issues in light of the risk appetite set by the Board.
- review and recommend to the Board for approval the ASX Corporate Governance Statement of the Company, the Company's Modern Slavery Statement, and Codes and Policies published on the Company's website and other related information regarding sustainability matters.

4.2. Legal and Regulatory Compliance

- monitor the culture promoted within the Company to drive accountability and responsibility for compliance with the sustainability strategy and the associated risks, policies, standards and procedures.



- review and assess the effectiveness of the Company's governance program in ensuring compliance with relevant regulatory and legal requirements.
- review compliance reports prepared by management in relation to the Company's compliance with statutory, legal and other regulatory requirements; and identify and consider any matters that may have a material impact on the Company's activities and report on those matters to the Board.
- review, assess and monitor the integrity and effectiveness of the Company's policies, standards and procedures on continuous disclosure and reporting on these to the Board.

5. Site Visits

While the Committee will rely primarily on reporting provided by Management and independent third-party verification to carry out its role, Committee members will also participate in a program of site visits. The purpose of those visits is to increase Committee members' understanding of the ESG-related risks and opportunities faced by the Group and to further raise the profile of the Company's ESG values with employees on-site and, in particular, with the Company's stakeholders, which includes the local community and government.

Committee members generally do not represent themselves as experts in the fields of ESG. As such, it is not the responsibility of Committee members to conduct risk reviews on ESG-related risks and opportunities.

6. Access to Information and Independent Advice

The Committee shall have unrestricted access to Management, any appointed internal or external auditors, and any information to enable it to fulfil its functions appropriately.

The Committee is authorised to obtain any independent legal advice or other professional advice that it considers necessary to perform its role.

7. Membership

Committee members will be appointed by the Board.

The Committee shall comprise a minimum of three Directors. A majority of members will be Non-Executive Directors of the Board, and one member will be the Managing Director/CEO.

The Committee shall have a Chairperson appointed by the Board. The Committee Chairperson must be a Non-Executive Director. The Chairperson of the full Board may not chair the Committee.

Committee members should possess the appropriate skills and experience and understand the industry in which the Company operates to enable the Committee to fulfil its functions appropriately.

8. Meetings

The Committee shall meet as often as required to undertake its role effectively but as a minimum of four times per annum.

Any Committee member may call a meeting of the Committee.

The quorum necessary for the meeting will be a majority of members. In the absence of the Chairperson, the Committee members will elect a member to act as Chairperson for that meeting.

The Committee may meet independently of Management.

All Directors have a standing invitation to attend Committee meetings, receive copies of Committee meeting minutes, and access Committee papers.

The Committee may invite various persons to attend its meetings.

The Committee may delegate to sub-committees of the Committee.

The Company Secretary will be the secretary of the Committee.

The proceedings of all meetings shall have minutes taken by the Company Secretary.

Resolutions in writing by the Committee must be approved by all Committee members.

Management is responsible to the Committee for:

- liaising with the Committee Chair in the preparation of the agenda.
- making recommendations to the Committee.
- implementing the Company's Sustainability Policy.
- implementing recommendations of the Committee, which the Board approves.

9. Reporting

The Committee Chairperson, or their nominee, will report to the Board at the next Board meeting on any material matters arising out of the Committee meeting and make recommendations to the Board for decision.

The minutes of the prior Committee meeting will be included in the Board papers for the subsequent Board meeting.

All Directors will be permitted, within the Board meeting, to request information of the Committee Chairperson or members of the Committee.

An annual plan will be developed for the Committee activities, and reporting on progress against the annual plan will be provided to the Board.



Each of the executive and the Company Secretary, and any appointed internal or external auditor, or advisors, will have a separate direct reporting relationship with the Chairperson of the Committee.

10. Reviews

The overall performance of the Committee is to be reviewed at least every two years by:

- obtaining feedback on the Committee's performance from the Board, Managing Director/CEO, and the Company Secretary; and
- the Chairperson of the Committee assessing the contribution and performance of individual Committee members.

The Committee's Charter will be reviewed at least every two years, and any amendments are to be approved by the Board.

Approved by the Board on 26 October 2022