

Diversity Policy

BRAZILIAN RARE EARTHS LIMITED
ACN 649 154 870
(Company)

1 Scope

This diversity policy applies to the Company's board of directors (**Board**), officers and employees (**Personnel**).

2 Purpose

- (a) The Company has a strong commitment to diversity and recognises the value of attracting and retaining Personnel with different backgrounds, knowledge, experiences and abilities. The Company recognises that diversity not only encompasses gender but extends to age, ethnicity, religious or cultural background, language, marital or family status, and disability. Diversity contributes to the Company's business success and benefits individuals, clients, teams, shareholders and stakeholders.
- (b) Our business policies, practices and behaviours promote diversity and equal opportunity and create an environment where individual differences are valued and all Personnel have the opportunity to realise their potential and contribute to the Company's success.

3 Principles

- (a) To meet its commitments under this policy, the Company will:
 - (i) Encourage diversity in our workforce while complying with local laws and regulations.
 - (ii) Select individuals for employment on the basis of merit, with regards to their skills, qualifications, experience and past performance.
 - (iii) Afford equal opportunity for employment or advancement to all potential and existing employees without regard to race, colour, gender, religion, age, nationality, disability, marital status, sexual orientation, political conviction or any other basis, as protected by international conventions or national law.
 - (iv) Subject to compliance with applicable laws and regulation and the other provisions of this policy, give preference to suitably qualified local applicants for positions that may become available. We will encourage applications from the available locally based workforce at various levels of competencies (e.g., engineers, managers, technicians etc.) and in various categories of jobs to improve our local content.
 - (v) Have an employee development policy under which the Group is committed to providing all employees, irrespective of gender, with support and opportunities to improve their skills, knowledge and qualifications required for the performance of their existing role and for improving their prospects of promotion to other roles within the Company.

- (vi) Have a remuneration framework to ensure pay equity across roles and grades of employees based on individual performance, experience, location of role and job nature.
- (vii) Educate employees on issues of diversity, tolerance and respect for difference.
- (viii) Where practicable, provide flexible working arrangements taking into account the nature of the duties performed by employees.
- (ix) Communicate with our employees regarding matters of mutual concern and benefit, and to promote on-the-job relationships in which two-way communications flow freely.
- (x) Proactively discourage behaviour involving harassment, bullying or disrespectful conduct by employees towards other employees of different race, colour, gender, religion, age, nationality, disability, marital status, sexual orientation, political conviction or any other grounds.
- (xi) Establish a procedure for reporting concerns about discriminatory behaviour for employees and their representatives to raise reasonable discriminatory concerns in the workplace.
- (xii) Establish and enforce disciplinary procedures which include sanctions against discriminatory behaviour.
- (xiii) A copy of this document will be posted on the Company's website for viewing by employees and all other stakeholders in the Company.

4 What is Diversity?

- (a) Diversity recognises and values the contribution of people with differences in background, experience and perspectives. At the Company, diversity means:
 - (i) an inclusive workplace that embraces individual differences;
 - (ii) a workplace that is free from discriminatory behaviours and business practices including discrimination, harassment, bullying, victimisation and vilification;
 - (iii) equitable frameworks and policies, processes and practices that limit potential unconscious bias;
 - (iv) equal employment opportunities based on capability and performance;
 - (v) awareness of the different needs of employees;
 - (vi) the provision of flexible work practices and policies to support employees; and
 - (vii) attraction and retention of a diverse range of talented people.
- (b) The Company aspires to achieve the objectives in this policy and aims to embed a strong diversity framework within its systems and culture.

5 Board's Responsibilities

- (a) The Board is responsible for designing and overseeing the implementation of this diversity policy.

- (b) The directors of the Company will be responsible for promoting diversity within the Company's culture and monitoring the effectiveness of this diversity policy. The Company recognises that it needs to provide management with appropriate guidance in order to foster a value for diversity within its management culture. To achieve this, the Company is committed to providing its management with the appropriate training and resources to understand the benefits of diversity in recruitment strategies and day-to-day management strategies. The Board will also be required to develop initiatives that will promote and achieve diversity goals.
- (c) The Board will disclose at the end of each reporting period any measurable objectives for achieving gender diversity as set by the Board and the Remuneration and Nomination Committee in accordance with the diversity policy.
- (d) The Company will make the policy or a summary of it available on its website.

6 Remuneration and Nomination Committee's Responsibilities

The Remuneration and Nomination Committee (if any) is responsible for reviewing this diversity policy and will provide the Board with an annual report on the status of diversity within the Company and the effectiveness of the measurable objectives for achieving gender diversity (if any).

7 Personnel's Responsibilities

All Personnel are required to act in a manner that supports diversity within the workplace and promotes the objectives set out in this diversity policy. Employees are encouraged to provide feedback to management regarding programs or initiatives which will improve the Company's approach to diversity and inclusion in the workplace.

8 Measurable objectives

- (a) The Company recognises that gender diversity amongst its Personnel:
 - (i) broadens the pool of high-quality directors and employees;
 - (ii) is likely to support employee retention;
 - (iii) is likely to encourage greater innovation by drawing on different perspectives;
 - (iv) is a socially and economically responsible governance practice; and
 - (v) will improve the Company's corporate reputation.
- (b) Subject to the size and operations of the Company, the Board may adopt measurable objectives to assist the Company to achieve gender diversity and review the Company's progress in meeting these objectives and the effectiveness of these objectives each year.
- (c) The Remuneration and Nomination Committee (if applicable) is responsible for:
 - (i) recommending such measurable objectives to the Board in light of the Company's general selection policy for Personnel; and
 - (ii) reporting to the Board on the Company's progress towards achieving its measurable objectives each year (if any). This report will include a review of the relative proportions of men and women at all levels in the organisation.

9 Review

This policy will be reviewed annually, or more often as required by changes to ASX Listing Rules, the Corporations Act or other legally binding disclosure requirements and revised if circumstances warrant.