

13 September 2021

2018 LTI GRANT PERFORMANCE OUTCOMES

Lynas Rare Earths Ltd (ASX: LYC, OTC:LYSDY) advises that the performance outcomes for the 2018 LTI Plan have now been assessed. 45% of the performance rights awarded under the 2018 LTI Plan will vest, with the remaining 55% to be lapsed.

As set out in the FY2019 Annual Financial Report, the LTI performance rights issued on 28 September 2018 were granted subject to vesting conditions in respect of EBIT Target and Relative Total Shareholder Return (TSR).

Lynas' TSR over the three year performance period prior to 31 August 2021 was at the 98th percentile of ASX200 companies and as a result, all of the performance rights related to the Relative TSR condition will vest. This represents 45% of the LTI performance rights issued on 28 September 2018.

As set out in the FY2021 Annual Financial Report, the EBIT Target was not achieved and no performance rights related to this condition will vest.

A summary of the performance conditions and outcomes is set below.

Performance Outcome – Relative TSR																	
Performance Condition	Satisfaction of the Relative TSR vesting condition required Lynas' TSR to be at least at the 51 st percentile of ASX 200 companies calculated over the three year period from 31 August 2018 to 31 August 2021.																
	The Relative TSR performance rights will vest in accordance with the following scale:																
	<table border="1"> <thead> <tr> <th>Lynas TSR Ranking</th> <th>Proportion of Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>At the 51st percentile</td> <td>50%</td> </tr> <tr> <td>Between the 51st percentile and the 76th percentile</td> <td>Between 50% and 100% as determined on a straight line basis (rounded up or down to the nearest 5%)</td> </tr> <tr> <td>At or above 76th percentile</td> <td>100%</td> </tr> </tbody> </table>	Lynas TSR Ranking	Proportion of Performance Rights that vest	At the 51 st percentile	50%	Between the 51 st percentile and the 76 th percentile	Between 50% and 100% as determined on a straight line basis (rounded up or down to the nearest 5%)	At or above 76 th percentile	100%								
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Outcome – Achieved at Target	Lynas' TSR was at the 98 th percentile of ASX200 companies. The Relative TSR performance condition has been achieved at Target. 100% of the Relative TSR performance rights will vest.																
Performance Outcome - EBIT Target																	
Performance Condition	Satisfaction of the EBIT Target vesting condition required Lynas' average annual EBIT growth at the end of the period from 1 July 2018 to 30 June 2021 to be at least 7% per annum using the EBIT figure from 1 July 2017 to 30 June 2018 as a base.																
Outcome – Not achieved	As announced in the FY2021 Annual Financial Report, due to the EBIT result in FY20, the EBIT Target vesting condition was not achieved. No performance rights related to the EBIT result will vest.																
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