

TALISON LITHIUM LIMITED

ACN 140 122 078



HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY COMMITTEE CHARTER

1. Introduction

The Health, Safety, Environment and Sustainability Committee (**Committee**) of the board of directors (**Board**) of Talison Lithium Limited (**Company**) shall oversee the sustainability, environmental, safety and health policies and activities of the Company.

This Charter is established in compliance with Toronto Stock Exchange (**TSX**), Australian Securities Exchange (**ASX**) and other Canadian and Australian legal requirements.

2. Membership

2.1 Number of Members

The Committee shall consist of at least three members as are appointed from time to time by the Board, on the recommendation of the Corporate Governance, Appointments and Remuneration Committee.

2.2 Independence of Members

Unless otherwise determined by the Board, the Committee shall be composed of a majority of Directors who have no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of such Director's independent judgement, and are otherwise independent as determined in accordance with the meaning of the provisions of National Policy 58-201 – *Corporate Governance Guidelines* and, as and when the Company is listed on ASX, the ASX Corporate Governance Principles and Recommendations, subject to any exemptions or relief that may be granted from such requirements.

2.3 Chairman

The Board shall appoint the chairman of the Committee, on the recommendation of the Corporate Governance, Appointments and Remuneration Committee. The Chairman of the Committee must be an independent Director. The Chief Executive Officer may not nominate or select any members of the Committee.

2.4 Term

The members of the Committee shall be appointed annually by the Board, on recommendation of the Corporate Governance, appointments and Remuneration Committee following the annual general meeting of shareholders.

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. The Board may, by resolution, at any time, remove any member of the Committee, with or without cause, add to or otherwise change the membership of the Committee.

3. Meetings

Except as otherwise provided in this charter, the rules and regulations relating to the calling and holding of and proceedings at meetings of the Committee shall be those, making allowance for the fact that it is a committee, that apply to meetings of the Board, subject to such modifications as may, from time to time, be determined by resolution of the Committee. Until otherwise determined by resolution of the Board:

- a) the quorum for meetings of the Committee shall be two of its members.
- b) the Committee will meet as often as necessary, but at least twice a year.
- c) the Chair of the Committee must call a meeting of the Committee if so requested by any Committee member, the Chief Executive Officer or the Corporate Secretary.
- d) the Committee may invite other persons, such as internal specialists or external advisers, to attend meetings if considered appropriate by the Chair of the Committee.

4. Minutes

Minutes shall be kept of all meetings of the Committee and be circulated to members of the Board by the Corporate Secretary.

5. Duties and responsibilities

The Committee shall have all the powers and duties conferred on it by the laws governing the Company and such other powers and duties as may be conferred on it from time to time by resolution of the Board. In addition to the foregoing powers and duties, the Committee shall have the following duties and responsibilities:

- a) reviewing and monitoring the sustainability, environmental, safety and health policies and activities of the Company on behalf of the Board to ensure the Company is in compliance with appropriate laws and legislation;
- b) reviewing monthly sustainability, environmental, health and safety reports;
- c) reviewing annual reports by management on sustainable development, environmental, safety and health issues;
- d) encouraging, assisting, supporting and counselling management in developing short and long term policies and standards to ensure that the principles set out in the sustainability, environmental, health and safety policies are being adhered to and achieved;
- e) regularly reviewing community, environmental, health and safety response compliance issues and incidents to determine on behalf of the Board, that the Company is taking all necessary action in respect of those matters and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard;
- f) ensuring that principal areas of community, environmental, health and safety risk and impacts are identified and that sufficient resources are allocated to address these;
- g) ensuring that the Company monitors trends and reviews current and emerging issues in the field of sustainability, environment, health and safety and evaluates their impact on the Company;
- h) ensuring that the Company's directors are kept advised of their duties and responsibilities related to the scope of this Committee;
- i) making periodic visits, as individual members or as the Committee as a whole to corporate locations in order to become familiar with the nature of the operations, and to review relevant objectives, procedures and performance with respect to sustainability, environment, health and safety;

- j) investigating, or causing to be investigated, any extraordinary negative sustainability, environment, health and safety performance where appropriate;
- k) reviewing and making recommendations to the Board with respect to environmental aspects of expansions, acquisitions and dispositions with material environmental implications; and
- l) exercising such other powers and performing such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified in this Charter and as may from time to time be delegated to the Committee by the Board.

6. Reports to the Board

The Committee shall report to the Board as follows:

- a) the Chair of the Committee must report the findings and recommendations of the Committee at the next Board meeting following each meeting of the Committee.
- b) the Chair of the Committee must submit an annual report to the Board summarizing the Committee's activities during the year and the related significant results and findings.
- c) the Committee must approve the details to be published in the Company's Annual Report, management information circular to shareholders, or any other statutory report or document with respect to the activities and responsibilities of the Committee.

The Committee may call a meeting of the Board to consider any matter of concern to the Committee.

7. Access to information

In its discharge of the foregoing duties and responsibilities, the Committee shall have the authority to communicate directly with and seek any information it requires from any officer or employee of the Company or any of its subsidiaries and such officers or employees shall be instructed by the Board of the Company or any of its subsidiaries employing them to respond to such enquiries.

8. Independent advisors

The Committee shall have the authority to engage such independent counsel, consultants and other advisors as it may from time to time deem necessary or advisable for its purposes and to set and cause to be paid by the Company the compensation of any such counsel, consultants or advisors.

Any counsel, consultants or advisors engaged by the Committee should only be responsible to the members of the Committee.

9. No rights created

This charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's constitution, it is not intended to establish any legally binding obligations.

Adopted: November 10, 2009