

Lithium Australia^{NL}

ACN 126 129 413

CORPORATE GOVERNANCE PLAN

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DEFINING GOVERNANCE ROLES

ROLE OF THE BOARD

Function

The Board of Directors of the Company have approved the following charter formalising the functions and responsibilities of the Board (Board Charter). The Board is ultimately responsible for all matters relating to the running of the Company, providing leadership, defining the Company's purpose and setting the strategic objectives of the Company.

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board has the final responsibility for the successful operations of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

Objective

The objective of the Board is to provide an acceptable rate of return to the Company's shareholders taking into account the interests of the Company's employees, customers, suppliers, lenders and the communities in which it operates.

Responsibilities

The Board is responsible for:

- Overseeing and approving the Company's strategic and operating objectives;
- Reviewing and approving the Company's financial position, systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving and monitoring the progress of major capital expenditure, the budget, capital management and acquisitions and divestments;
- Ensuring the integrity of the Company's financial reporting (with the assistance of the Audit Committee, if applicable) and other reporting through approval and monitoring;
- Being responsible for the Company's senior management and personnel including appointing and, where appropriate, removing the Chairman;
- Ratifying the appointment, and where appropriate, the removal of the Managing Director (if applicable) and the Company Secretary;
- Evaluating the performance of the executive director(s) and the senior management team and determining their remuneration through an appropriate remuneration framework, determined by the Remuneration Committee;
- Delegating appropriate powers to the executive director(s) and senior management to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- Approving budgets and major capital expenditure;
- Overseeing the Company's accounting and corporate reporting systems;
- Ensuring that policies and procedures are in place consistent with the Company's objectives, and that the Company and its officers act legally, ethically and responsibly in all matters, including ensuring an appropriate risk management framework is in place;

- Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chairman, being the key interface between the Company and its shareholders;
- Overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities (further detailed in the Company's continuous disclosure policy; and
- Monitoring the effectiveness of the Company's governance practices.

BOARD STRUCTURE

Number of Directors

The Board has determined that, consistent with the size of the Company and its activities, the Board shall be comprised of at least three Directors, the majority of whom should be non-executive.

The Board recognises that best practice occurs when the Board comprises a majority of non-executive directors. The Board continues to strive to meet the Principles of Good Corporate Governance and Recommendations published by the ASX or other such principles and guidance as the Board may consider appropriate from time to time, however the Board also recognises that complying with the ASX Corporate Governance Council Recommendation 2.3 "A majority of the Board should be independent directors" may be impractical given the size of the company and the industry in which it operates. The Board instead aims to assess the independence of the Company's non-executive Director on an ongoing basis (usually annually) requiring full disclosure where conflicts of interests arise.

Appointment of Directors

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board's duties and physical ability to undertake Board's duties and responsibilities.

Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. An executive Director may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

Duration of Appointment

In the interest of ensuring a continual supply of new talent to the Board, all Directors with the exception of the Managing Director will serve for a period of three years before they are requested to stand down for re-election. An executive Director may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director.

THE ROLE OF INDIVIDUAL DIRECTORS

Expectations of Directors in Board Process

At the Company, it is expected that Directors shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment. Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers and any other parties.

Directors will keep confidential all Board discussions and deliberations. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of the Company and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, unless that disclosure without appropriate authorisation.

Conflict of Interest and Related Party Transactions

Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. Whether an interest is material or not is discussed by the Board. On appointment, Directors will have an opportunity to declare any such interests and they will be entered into the Company's register of ongoing conflicts of interests.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chairman any actual or potential conflict of interest situation as soon as it arises. To ensure Directors have an opportunity to disclose new conflicts of interest, the first agenda item for each Board meeting will be the disclosure of any conflicts of interest. Any amendments to disclosures are to be tabled at this time and entered into the register of ongoing conflicts of interest.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The entry and exit of the Director concerned will be minuted by the Company Secretary. Directors do not have to absent themselves when either (a) conflict of interest relates to an interest common to all Company members/shareholders or (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

Related Party Transactions

Related party transactions include any financial transaction between a Director or officer and the Company and will be reported in writing to each Board meeting.

In general, the *Corporations Act* requires related party transactions to be approved by the shareholders; the Board cannot approve these transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms.

To assist the Board in showing that a financial benefit, such as the awarding of a contract to a company in which a Director is a partner, is given on arm's length terms, the process outlined below (potential related party transaction) will be followed. The Board has also resolved that where applications are made by a related party to a Director or officer of the Company then the Director or officer shall exclude himself/herself from the approval process.

Related party for this process means:

- a spouse or de facto spouse of the Director or officer; or
- a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or
- an entity over which the Director or officer or a related party defined in (a) or (b) has a controlling interest.

The Company Secretary will maintain a register of related parties transactions as well as the register of ongoing conflicts of interests to be updated within the corporate governance manual.

Emergency Contact Procedures

As there is the occasional need for urgent decisions, Directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows their location, so that all Directors can be contacted within 24 hours in cases of a written resolution or other business.

THE ROLE OF THE CHAIRMAN

The Chairman's role is a key one within the Company. The Chairman is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes.

There are two main aspects to the Chairman's role. They are the Chairman's role within the boardroom and the Chairman's role outside the boardroom.

Inside the Boardroom

Inside the boardroom the role of the Chairman is to:

- Establish the agenda for Board meetings in consultation with the Board;
- Chair Board meetings. It is common practice that if the Chairman is not present within 10 minutes after the time appointed for the holding of that meeting, a Director chosen by a majority of Directors present shall assume the role;
- Be clear on what the Board has to achieve, both in the long and short term;
- Provide guidance to other Board members about what is expected of them;
- Ensure that Board meetings are effective in that:
 - the right matters are considered during the meeting (for example, strategic and important issues);
 - matters are considered carefully and thoroughly;
 - all Directors are given the opportunity to effectively contribute; and
 - the Board comes to clear decisions and resolutions are noted;
- Brief all Directors in relation to issues arising at Board meetings;
- Ensure that the decisions of the Board are implemented properly;
- Approving the Statement of Values;
- Ensure that the Board behaves in accordance with its code of conduct; and
- Commence the annual process of Board and Director evaluation.

Outside the Boardroom

Outside the boardroom the role of the Chairman is to:

- In conjunction with the Managing Director, undertake appropriate public relations activities;
- Be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;
- Be the major point of contact between the Board and the Managing Director;
- Be kept fully informed of current events by the Managing Director on all matters which may be of interest to Directors;
- Regularly review with the Managing Director, and such other senior officers as the Managing Director recommends, progress on important initiatives and significant issues facing the Company;
- Provide mentoring for the Managing Director;
- Promoting constructive and respectful relations between Directors and between the Board and management; and
- Initiate and oversee the annual Managing Directors evaluation process.

THE ROLE OF THE COMPANY SECRETARY

The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chairman, on all governance matters and reports directly to the Chairman as the representative of the Board. The Company Secretary is appointed and dismissed by the Board and all Directors have as of right access to the Company Secretary.

The tasks of the Company Secretary shall include:

Meetings and Minutes

- notifying the directors in writing in advance of a meeting of the Board as specified in the Constitution;
- ensuring that the agenda and Board papers are prepared and forwarded to Directors prior to the Board meeting as set out in the Board policy manual;
- recording, maintaining and distributing the minutes of all Board and Board committee meetings as required;
- maintaining a complete set of Board papers at the Company's main office.
- preparing for and attending all annual and extraordinary general meetings of the Company; and
- recording, maintaining and distributing the minutes of all general meetings of the Company.

Compliance

- overseeing the Company's compliance program and ensuring all Company legislative obligations are met;
- ensuring all requirements of ASIC, the ATO and any other regulatory body are fully met;
- helping organise and facilitate the induction and professional development of Directors; and
- providing counsel on corporate governance principles and Director liability.

Governance Administration

- maintaining the register of ongoing conflicts of interests and the register of related party transactions;
- maintaining a register of Company policies as approved by the Board;
- maintaining, updating and ensuring that all directors have an up-to-date copy of the Board charter and associated governance documentation;
- maintaining the complete list of the delegations of authority;

- reporting at each Board meeting the documents executed under a power of attorney, documents executed in accordance with section 127 of the *Corporations Act*, and reporting on the use of the seal register;
- helping to organise and facilitate the induction and professional development of Directors; and
- any other services the Chairman or Board may require.

THE ROLE OF THE MANAGING DIRECTOR

The Managing Director is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.

The Managing Director's primary objective is to ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the company. The Managing Director is of critical importance to the Company in guiding the Company to develop new and imaginative ways of winning and conducting business. The Managing Director must have the industry knowledge and credibility to fulfil the requirements of the role.

The Managing Director will manage a team of executives responsible for all functions contributing to the success of the Company.

The Managing Director's specific responsibilities will include:

- Develop, in conjunction with the Board, the Company's vision, values, and goals;
- Responsibility for the achievement of corporate goals and objectives;
- Development and implementation of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- Preparation of business plans and reports with the senior management; developing with the Board the definition of ongoing corporate strategy; implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;
- Advise the Board regarding the most effective organisational structure and oversee its implementation;
- Assessment of business opportunities of potential benefit to the Company;
- Responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;
- Sustain competitive advantage through maximising available resources, encouraging staff commitment and strategically aligning the corporate culture with the organisation's goals and objectives;
- Establish and maintain effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;
- Undertake the role of key company spokesperson;
- Recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives;
- Ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;
- Ensure appropriate risk management practices and policies are in place;
- Develop and motivate direct reports and their respective teams;
- Select and appoint key staff (direct reports); and
- Ensure there is an appropriate staff appraisal system in place in the Company.

BOARD PROCESSES

BOARD MEETINGS

Board meetings are a fundamental component of governance processes. Each Board meeting is critical, as it is the main opportunity for directors to:

- obtain and exchange information with the senior management team;
- obtain and exchange information with each other; and
- make decisions.

The Board meeting agenda is equally as important because it shapes the information flow and subsequent discussion.

Meeting Frequency

The Board will meet approximately 11 times per year but no less than 4 times per year and, unless otherwise agreed.

Meeting Location

The Board currently meets at Level 1, 677 Murray Street, West Perth WA 6005, or via video conference or at other locations as advised by the Chairman.

Meeting Cycle

To assist the smooth running of Board processes, the Board has adopted an indicative monthly cycle as follows.

- Company Secretary to circulate agenda and Board papers to the Board and invitees 7 days prior to the meeting
- Managing Director / Company Secretary to send draft minutes of meeting to Chairman and other directors within 14 days following the meeting.

Please note, that this is an indicative cycle only. The actual timing of events in the lead up to and follow up from Board meetings will be dependent upon the circumstances surrounding each individual meeting.

Conduct of Meeting

The Chairman will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such, the Chairman will:

- ensure that all members are heard;
- retain sufficient control to ensure that the authority of the Chair is recognised. This may require a degree of formality to be introduced if this is necessary to advance the discussion;
- take care that the decisions are properly understood and well recorded; and
- ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

When the Chairman does not arrive within 10 minutes after the time appointed for the holding of the meeting, or is unable or unwilling to act, the directors involved must elect one of their number to be a chairman of the meeting.

Quorum and Voting at Meetings

In order for a decision of the Board to be valid, a quorum of directors must be present. As per Clause 10.5 of the Company's Constitution, the number of Directors whose involvement is necessary to constitute a quorum is two (2), or such greater number as determined by the Directors from time to time. Questions arising at Board meetings are to be decided by a majority of votes of Directors who are present and entitled to vote.

Emergency Decision Making – Written Resolutions

As per Clause 106 of the Company's constitution, a resolution in writing signed by all Directors for the time being, or their respective alternate Directors, shall be valid and effectual as if it had been passed at a Directors' meeting duly convened and held. Any such resolution may consist of several documents in the like form but each document must contain a statement that the Directors are in favour of the resolution and the wording of the resolution and the statement of the Directors must be identical, each document signed by one or more Directors.

BOARD MEETING AGENDA

Agenda Content

An agenda will be prepared for each Board and committee meeting. In general, it may contain some or all of the following topics:

- Minutes of the previous meeting / matters arising
- Conflicts of interest / related parties
- Operations;
- Corporate matters;
- Cashflow;
- Corporate governance;
- Continuous disclosure obligations
- Share registry / Investor relations;
- Other business

Agenda Preparation

The Managing Director, in consultation with the Chairman is responsible for preparing an agenda for each Board meeting. However, any Director may request items to be added to the agenda for upcoming meetings. The Company Secretary circulates the agenda to all Directors with the Board papers at least seven days prior to the meeting.

BOARD PAPERS

Preparation and Circulation of Board Papers

The Company Secretary together with the Managing Director is responsible for the preparation and circulation of Board papers. The Board papers will be circulated to all Directors prior to the Board meeting. If a Board paper relates to a matter in which there is a known conflict of interest with a particular Director then the relevant Board paper will be removed by the Company Secretary on the instructions of the Chairman, from the set of Board papers sent to that Director. In the case of the Chairman having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board papers to the Chairman.

Retention of Board Papers

The Company Secretary maintains a complete set of Board papers at the Company's headquarters. However, individual Directors may retain their own Board papers in a secure location.

BOARD MINUTES

Minutes are to be a concise summary of the matters discussed at a Board meeting. Minutes will contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors. All decisions will be recorded in the minutes by means of a formal resolution.

COMMITTEES

The Board has implemented Audit and Risk, Nomination and Remuneration Committees.

KEY BOARD FUNCTIONS

THE BOARD AND STRATEGY

Each year the Board will approve a formal strategic planning process that articulates the respective roles and levels of involvement of the Board, senior management and other employees and will review the strategic plan for the Company.

COMPLIANCE

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's compliance systems. The Chairman with input from the Company Secretary is responsible for overseeing the Company's compliance systems and reporting to the Board on those systems.

CONTINUING IMPROVEMENT

DIRECTOR PROTECTION

Information Seeking Protocol

Directors will adhere to the following protocol when seeking information:

- approach the Managing Director to request the required data;
- if the data is not forthcoming, approach the Chairman;
- if the information is still not forthcoming, write a letter to all Board members and the Managing Director detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information; and
- as a last resort, employ the provisions of the *Corporations Act*.

Access to Professional Advice

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

Access to Board Papers

The Directors have the right to access board papers as granted by the Corporations Act.

Review

This Policy will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

This Code of Conduct addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and will be published on the Company's website. This code applies equally to all employees, Directors and officers of the Company.

Purpose

All stakeholders are entitled to expect the highest professional standards from employees, directors and officers of the Company. Compliance with this Code and the Company's other policies, will ensure compliance with the Corporations Act and will contribute to the good corporate governance of the Company.

Discharge of Duties

Directors and employees must discharge their duties at the highest levels of honesty and integrity, acting in good faith and in the best interests of the whole Company, having regard to their position, and the organisation's goals and objectives. This entails taking personal responsibility for all issues over which they have control, and for reporting any observed breaches of laws or regulations. It also requires that they do not act in ways which would lead others to question our commitment to the Company. As appointed officers all the Company, Directors and Senior Executives will undertake diligent analysis of all proposals placed before the Board, demonstrate commercial reasonableness in decision-making and will act with a level of skill expected from Directors and Senior Executives of a publicly listed company.

Relationships

Performance-enhancing teamwork relies on a workplace where people are treated fairly, are respected by their colleagues, and encourage each other to develop corporately and personally. All Directors and Senior Executives are all responsible for making this happen. The Company is an equal opportunity employer, and discrimination or harassment of any kind will not be tolerated. In dealings both inside and outside the Company all employees of the Company will value integrity, accuracy, conciseness and timeliness.

Compliance with Laws and Ethics

Directors and employees must respect the laws, customs and business practices of the countries in which the Company operates, without compromising the Code principles. They must also comply with the ethical and technical requirements of relevant regulatory and professional bodies, promote ethical behaviour and will not engage in conduct likely to bring discredit upon the Company.

Conflicts of Interest

All Directors have an obligation to be independent in judgment and actions and as Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board. In a circumstance where personal interests may conflict with those of the Company, or its stakeholders, steps must be taken to eliminate or manage such conflict. Gifts or entertainment must not be accepted where they could create an obligation on the Company to outside parties.

Confidentiality

Employees in possession of commercially sensitive information should not disseminate it to colleagues unnecessarily, and certainly not to outside parties. The Managing Director, or his nominee, is the only officer authorised to represent the official views of the Company to outside parties, unless otherwise approved. All individuals are prohibited by law from trading in the Company's shares if they possess commercially sensitive information not released to the ASX. The Board has adopted a Security Trading Policy governing when Directors, key executives and employees are able to buy and sell the Company shares.

Use of Company Assets

The Company's assets are critical to its business and future success. They include, for example, office and plant equipment. Employees cannot make personal use of assets without permission. There will be no unreasonable expenditure on benefits such as gifts or entertainment for employees or outside parties.

Competition

The Company competes fairly in the situations and markets in which it operates. It does not use coercive or misleading practices, or falsify or wrongly withhold information.

Environment, Health and Safety

The Company must take into account the impact of environmental, health and safety issues when making business decisions, in particular compliance with local laws. These form part of a separate Health and Safety and Environmental Policy.

Review

This Code will be formally reviewed by the Board every three years.

Purpose

At LIT, we collaborate closely with our partners, to develop and deliver innovative solutions for our clients, to benefit all our stakeholders. We are on a journey to develop and be recognised as a leading provider of innovative water treatment products, services, solutions & technology.

Values

- We are reliable, efficient and resourceful professionals that value integrity and hard work.
- We believe technology holds the key to solving the toughest global water related challenges.
- We are committed to collaborating closely with our partners, to develop and deliver innovative solutions for our clients, to benefit all our stakeholders.

Responsibility

The Statement is the ultimate responsibility of the Board.

Approval

The Statement is approved by the Board.

Review

This Statement will be formally reviewed by the Board every 3 years.

Introduction

This policy applies to all Directors, Executives and other employees of Lithium Australia NL (“LIT” or “Company”) and all its subsidiaries (“Group”). This policy also applies, as far as is reasonably achievable, to the Company’s service providers, suppliers and third-party contractors. Any of these persons making a report under this policy are referred to as a whistleblower.

The Group requires its Directors, Officers and Employees to observe high standards of business conduct and ethics, as well as full compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices and controls, audit practices and other matters relating to fraud against shareholders (Concerns).

The Board is responsible for ensuring that a confidential and anonymous process exists whereby persons can report any Concerns relating to the Company.

The objectives of this policy are to:

- encourage the reporting of matters that may cause financial or non-financial loss to the Group or damage the Group’s reputation;
- enable the Group to effectively deal with reports from whistleblowers in a way that will protect the identity of the whistleblower and provide for the secure storage of the information provided;
- establish a policy for protecting whistleblowers against reprisal by any person internal or external to the Group; and
- provide a process for reporting.

This policy should be read in conjunction with the Company’s Code of Conduct Policy.

Duty to Disclose Reportable Conduct

It is expected that Directors, Executives and other employees of the Group will report known, suspected or potential cases of “reportable conduct”.

“Reportable conduct” is conduct by a person or persons connected with the Group which, in the view of the whistleblower acting in good faith is:

- dishonest, fraudulent or corrupt activity including bribery or other activity;
- illegal (including theft, drug sale/use, violence or threatened violence, harassment or intimidation and criminal damage against property);
- in breach of Commonwealth or state legislation or local authority by-laws (e.g. Trade Practices Act or Income Tax Assessment Act);
- unethical, breaches Company policies including the Company’s Code of Conduct, dishonesty such as altering company records or data, adopting questionable accounting or tax practices or generally unethical behaviour;
- an unsafe work practice, environmental damage, conduct which creates a health risk;
- abuse of company property and resources;
- amounts to abuse of authority;
- any other conduct which may cause financial or non-financial loss to the entity or be otherwise detrimental to the interests of the entity; or
- other serious improper conduct.

Procedure for Reporting

A whistleblower must act in good faith and do their best to ensure that there is a reasonable basis for making a report of reportable conduct. However, it is not the whistleblower's responsibility to investigate or prove a case of reportable conduct.

It is expected that a whistleblower will be able to resolve most concerns or queries relating to reporting conduct by discussing the matter with their direct manager.

Managers are required to make reports of reportable conduct to the Whistleblower Officer, who has specific and exclusive responsibility to investigate all reports of reportable conduct.

If a whistleblower is not comfortable speaking to their Manager, or are not satisfied with their response to the whistleblower's report, the whistleblower may report directly to the Whistleblower Officer. If the matter concerns the Whistleblower Officer, they should contact the Group's Company Secretary, or a Board Member.

Whistleblower Officer

The key responsibility of the Whistleblower Officer is to ensure that a Whistleblower does not suffer adverse action from their complaint, and to ensure the investigation of the substance of any complaint regarding reportable conduct to determine whether there is evidence in support of the conduct raised, or to refute the report made.

The Whistleblower Officer has direct, unfettered access to independent financial, legal and operational advice as required for the purposes of effectively carrying out the role.

The Whistleblower Officer also has a direct line of reporting to the Chairman.

The current Whistleblower Officer and contact details are as follows:

Mr Adrian Griffin
Managing Director
Lithium Australia NL
Level 1
677 Murray Street
West Perth WA 6005

Tel: (08) 6145 0288
Email: Adrian.Griffin@lithium-au.com

Investigation Procedures

An employee who in good faith has material concerns regarding any misconduct which falls under this policy, should make a disclosure to the Whistleblower Officer as soon as is possible or practicable, but in any case, within 14 calendar days of becoming aware of the misconduct.

The Whistleblower Officer will investigate all matters reported under this policy as soon as possible after the matter has been reported.

CORPORATE GOVERNANCE PLAN: WHISTLEBLOWER POLICY

Following the preliminary investigation the Whistleblower will decide whether it is appropriate to inform the Company Secretary and Board of the misconduct, so that a formal investigation into the matter may be initiated. Where an immediate formal investigation is considered necessary, the Company Secretary, Managing Director or Board as appropriate will designate an investigator. Internal and external resources may be used in the investigation as appropriate in the circumstances.

The designated investigator(s) has/have the right to call for any information or document and/or interview with any Company personnel or other person(s), for the purpose of conducting an investigation under this Whistleblower Policy. All reasonable efforts will be made to protect the Whistleblowers identity, subject to legal or regulatory obligations.

An investigation report should be presented by the designated investigator(s) after completion of the investigation and submitted to the Managing Director, Chairman or Board member as appropriate.

Based on the finding of the investigation, the Managing Director, Chairman or Board member shall determine any follow-up action(s) to be taken, including giving instructions to rectify any control weakness/deficiency noted. Appropriate steps may be taken to close the case if no adverse finding is made.

Where appropriate, the Company will provide feedback to the whistleblower regarding the investigation's progress and outcome.

The investigation will be conducted in an objective and fair manner and as is reasonable and appropriate having regard to the nature of the reportable conduct and the circumstances.

Protection of Whistleblowers

A submission regarding a Concern may be made by an officer or employee of the Company without fear of dismissal, disciplinary action or retaliation of any kind.

The Company will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any person who submits in good faith a Concern or provides assistance to management, the Company's auditor, or any other person or group, including any governmental, regulatory or law enforcement body, investigating a Concern.

"Good faith" does not mean that the person submitting the Concern has to be right, but it does mean that a person believes that he or she is providing truthful information.

The Company is committed to ensuring confidentiality in respect of all matters raised under this policy, and that those who make a report acting on reasonable grounds are treated fairly and do not suffer any disadvantage.

Subject to compliance with legal requirements, upon receiving a report under this Policy, the Company will not, nor will any supervisor, manager or Whistleblower Officer, disclose any particulars that would suggest or reveal the identity of a whistle-blower, without first obtaining their consent. If they consent, any information disclosed will be on a strictly confidential basis to those who have a genuine need to know. Any disclosure without a whistleblower's consent will be a breach of this policy.

CORPORATE GOVERNANCE PLAN: WHISTLEBLOWER POLICY

A Group employee or contractor who is subjected to detrimental treatment as a result of making a report on reasonable grounds under this policy should inform a senior manager or Board Member immediately.

All files and records created from an investigation will be retained under strict security. Unauthorised release of information to someone not involved in the investigation (other than senior managers or directors who are not the subject of the disclosure and need to know to take appropriate action, or for corporate governance purposes) will be a breach of this policy.

Whistle-blowers are assured that a release of information in breach of this policy will be regarded as a serious matter and will be dealt with under the Company's disciplinary procedures.

The Corporations Act 2001 (Cth) provides additional protection in relation to reporting of a possible contravention of the Corporations Act and the Australian Securities & Investments Commission (ASIC) Act by the Company or its employees. Further information can be found on the ASIC website in particular by following the links below:

- <http://asic.gov.au/about-asic/asic-investigations-and-enforcement/whistleblowing/>
- <http://asic.gov.au/about-asic?asic-investigations-and-enforcement/whistleblowing/guidance-for-whistleblowers/>

False Allegations and Legitimate Employment Action

Company personnel who knowingly make false or reckless allegation(s) shall be subject to disciplinary action, which may include but not necessarily be limited to, the termination of their employment.

Likewise if, independent of any disclosure of information by a Whistleblower, adverse or disciplinary action was taken against him/her for legitimate reason(s) or cause(s) under Company rules and policies or contract of employment, the policy may not be used as a counterclaim or defence by him/her.

Notification

The Company Secretary is required to notify and communicate this policy and its importance to all existing and new personnel, contractors, officers and directors.

All directors, officers and employees will be informed whenever significant changes are made.

Review

The Board will review this policy at least annually and update it as required.

Reviewed 29/09/2021

Introduction

The Company is committed to conducting business in a transparent and ethical manner across all of its products, services, solutions & technology, aligning with its Statement of Values. The Company aims to ensure that all its activities are conducted fairly and honestly and each person connected with the Company has individual responsibility for maintaining an ethical workplace. Consistent with this business philosophy, the Company strictly adheres to anti-bribery and corruption principles under which the Company will:

- a. not tolerate the solicitation or payment of bribes in any form for any purpose;
- b. seek to avoid being placed in situations where its judgement (and that of its workforce) might be influenced or appears to be influenced by improper considerations;
- c. not make "facilitation payments" which are illegal under Australian, Spanish and Canadian law;
- d. ensure that all dealings with public officials are conducted in an ethical and transparent manner;
- e. ensure that the receipt or provision of gifts and hospitality are regulated by clear ethical guidelines;
- f. maintain adequate procedures to support the efficient operation and implementation of the Policy.

The Policy places an active responsibility for compliance on all Company Directors, employees and associated persons and training initiatives (where necessary) will be conducted on an ongoing basis to ensure its effective implementation. The Company demands the highest standards of integrity in the conduct of its business. The Company does not tolerate bribery or corruption in relation to its business, anywhere or in any form and will comply with anti-bribery and anti-corruption laws in the countries in which we operate. The Policy is designed to safeguard the Company's reputation, consumer and business confidence and applies in addition to any applicable local or international legal or regulatory obligations.

Prevention Measures

The Company has systems and controls in place to prevent bribery and corruption:

- a. Periodic risk assessments to identify and address possible bribery and corruption risk;
- b. Ensuring sufficient due diligence is undertaken when dealing with third parties who will act on behalf of the Company;
- c. Ad hoc monitoring of payments;
- d. Obtaining a signed declaration of the acceptance of this Policy from Directors, employees and contractors.

Reporting

Directors, employees and associated persons are encouraged to raise any matters of concern in good faith and report material breaches of the Anti-Bribery and Anti-Corruption Policy to the Board, without fear of retribution. There are no permitted exceptions to this Policy.

Review

This Policy will be formally reviewed by the Board every three years.

Constitution

The Audit and Risk Committee and its chair and membership has been established by resolution of the Board on 26 August 2021 (item 7.5).

Membership

The Audit and Risk Committee will consist of not less than three members. Members will be appointed by the Board in accordance with Clause 109 of the Company's Constitution from amongst the non-executive Directors, a majority of whom will also be independent. In addition, the Audit and Risk Committee will comprise:

- members who can all read and understand financial statements and are otherwise financially literate;
- at least one member with financial expertise either as a qualified accountant or other financial professional with experience in financial and accounting matters; and
- at least one member who has an understanding of the industry in which the Company operates.

The Lithium Australia Board has appointed Kristie Young, Phil Thick and George Bauk as members of the Audit and Risk Committee.

Chairp

The Lithium Australia Board has appointed Kristie Young to be the Chair of the Audit and Risk Committee.

Secretary

The Company Secretary will be the Secretary of the Audit and Risk Committee.

Other Attendees

The Managing Director as well as other members of senior management may be invited to be present for all or part of the meetings of the Audit and Risk Committee, but will not be members of the Audit and Risk Committee. Representatives of the external auditor are expected to attend each meeting of the Audit and Risk Committee and at least once a year the Audit and Risk Committee shall meet with the external auditors without any management staff or executives present. The external auditor is invited to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Quorum

A quorum will be two members.

Meetings

Audit and Risk Committee meetings will be held not less than two times a year so as to enable the Committee to undertake its role effectively. In addition, the Chair is required to call a meeting of the Audit and Risk Committee if requested to do so by any member of the Audit and Risk Committee, the Managing Director, or the external auditor.

Authority

The Audit and Risk Committee is authorised by the Board to investigate any activity within its charter. The Audit and Risk Committee will have access to management and auditors with or without management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Audit and Risk Committee.

The Audit and Risk Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit and Risk Committee is required to make recommendations to the Board on all matters within the Audit and Risk Committee's charter.

Reporting Procedures

The Audit and Risk Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Audit and Risk Committee to all members of the Audit and Risk Committee for comment and change before being signed by the Chair of the Audit and Risk Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Audit and Risk Committee meeting along with any recommendations of the Audit and Risk Committee.

Responsibilities of the Audit and Risk Committee

The Audit and Risk Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. In particular, the Audit and Risk Committee has the following duties:

Accounting Practices and External Reporting

Financial Statements

- To review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:
 - any changes in accounting policies and practices;
 - major judgmental areas;
 - significant adjustments, accounting and financial reporting issues resulting from the external audit;
 - compliance with accounting policies and standards; and
 - compliance with legal requirements.
- To review the evaluation by management of factors related to the independence of the Company's public accountant and to assist them in the preservation of such independence.
- To oversee management's appointment of the company's public accountant.

Related Party Transactions

- To monitor and review the propriety of any related party transactions.

External Audit Function

- To recommend to the Board the appointment of the external auditor.
- Each year, to review the appointment of the external auditor, their independence, the audit fee, their rotation and any questions of resignation or dismissal.
- To discuss with the external auditor before the audit commences the nature and scope of the audit.
- To meet privately with the external auditor on at least an annual basis.
- To determine that no management restrictions are being placed upon external auditor.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- To review the external auditor's management letter and management's response.
- To review any regulatory reports on the Company's operations and management's response.

Communication

- Providing, through regular meetings, a forum for communication between the Board, senior financial management, staff involved in internal control procedures and the external auditors.
- Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the general public.
- Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously.

Assessment of Effectiveness

- To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management and the external auditors.

Oversight of the Risk Management System

- To oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company. This system will include the Company's internal compliance and control systems.
- To review at least annually the Company's risk management systems to ensure the exposure to the various categories of risk are minimised prior to endorsement by the board.
- To evaluate the Company's exposure to fraud.
- To take an active interest in ethical considerations regarding the Company's policies and practices.
- To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
- To identify and direct any special projects or investigations deemed necessary.
- To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations.
- To ensure a safe working culture is sustained in the workforce.
- To determine the Company's risk profile describing the material risks, including both financial and non-financial matters, facing the company.
- To regularly review and update the risk profile.

AUDITOR SELECTION, APPOINTMENT & ROTATION PROCEDURE

Responsibility

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as per the recommendations of the Audit and Risk Committee. Any appointment made by the Board must be ratified by shareholders at the Annual General Meeting of the Company.

Selection Criteria

Mandatory criteria

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

Other criteria

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

Performance Review

The Audit and Risk Committee will review the performance of the external auditor on an annual basis and make any recommendations to the Board.

Review

This Charter will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

Purpose

The objectives of the Remuneration and Nomination Committee are to assist the Board in fulfilling its corporate governance responsibilities in regard to:

- Board appointments, re-elections and performance;
- Directors' induction programs and continuing development;
- Committee membership; and
- Diversity obligations.

Composition

The Remuneration and Nomination Committee is appointed by the Board in accordance with Clause 109 of the Company's Constitution. The Nomination Committee consists of three Non-Executive Directors, being Phil Thick, Kristie Young and George Bauk. The Remuneration and Nomination Committee may also consist of independent consultants. The Company Secretary may attend the Remuneration and Nomination Committee Meetings for the purposes of taking the minutes. The Chair of the Remuneration and Nomination Committee is Phil Thick, an independent director. Directors (or independent consultants) will be appointed to the Remuneration and Nomination Committee for a term of three years or such shorter time as they remain in the office of Director. Due to the small size of the operations, the Company and hence the Board, Directors who are appointed to the Remuneration and Nomination Committee, have also been appointed to the Remuneration Committee. The Company does not foresee a conflict of interest with this procedure. In addition, each member must confirm that they have the necessary time to devote to this Board position. In support of this confirmation, the member must provide the Remuneration and Nomination Committee with details of other commitments and an indication of time involved.

Procedure

The Remuneration and Nomination Committee meets once a year. As required by Clause 109 of the Company's Constitution, a quorum for a Remuneration and Nomination Committee Meeting is two Directors. Directors who are not Remuneration and Nomination Committee members may attend Meetings, at the invitation of the Remuneration and Nomination Committee Chairperson. The Remuneration and Nomination Committee has the authority to seek any information it requires from any employee of the Company and all employees must comply with such requests. The Remuneration and Nomination Committee reports on its Meetings to the Board and discusses the recommendations with the Board. The Remuneration and Nomination Committee may take such independent legal, recruitment or other advice as it considers necessary.

The Remuneration and Nomination Committee will annually review and report to the Board on the diversity objectives established by the Company. The duties of the Remuneration and Nomination Committee are to:

- Developing and regularly reviewing a policy on Board structure.
- Developing criteria for Board membership.
- Regularly review the size, independence and composition of the Board and consider any appropriate changes.
- Identifying and screening specific Board and senior executive candidates for nomination.
- Ensuring there is an appropriate induction and orientation program in place.
- Making recommendations to the Board for committee membership.
- Ensuring there is an appropriate Board succession plan, which includes an appropriate mix of skills, experience, expertise and diversity are maintained on the Board, in place. The Company currently doesn't have a formal succession plan due to its relatively small size and stage of operations. As the Company grows, the Board will consider the implementation of a succession plan as is appropriate. In the meantime, key personnel are encouraged to document their organisational and operational knowledge as much as possible.

- Overseeing management's succession planning including the Executive Director and his/her direct reports.
- Ensuring the performance of the Board and the Committees and their members is regularly reviewed as well as ensuring adequate time requirements for Non-Executive Directors.
- Developing with Directors an appropriate training and development program. [Refer Ongoing Education Framework]
- Assisting the Chairperson in advising Directors about their performance and possible retirement.

Authority and Resources

The Remuneration and Nomination Committee may, when it considers it necessary or appropriate, seek advice from external consultants or specialists.

Review

To determine whether it is functioning effectively, once each year the Committee shall:

- review this Charter;
- review the effectiveness of the Directors' Induction Program; and
- undertake an evaluation of its performance.

Purpose

To ensure that there are defined procedures for the selection and appointment of new Directors to the Lithium Australia NL Board.

Procedure

It is recognised by the Board of the Company that a formal and transparent procedure for the selection and appointment of new Directors to the Board helps promote understanding and confidence in that process.

Board Composition

The Board's Charter requires that the Board comprise a majority of Non-Executive Directors with a broad range of expertise, skills and experience. Particular candidates may also be considered where they hold relevant experience in the various activities conducted by the Company.

Identification of potential Board candidates

The Board and each of the individual Directors are expected to be continually on the look out for candidates who they consider may be valuable members of the Board. At various times the Board may also determine that there is a specific requirement for a Director with a particular skill set, and at this time external consultants may be engaged to identify potential candidates.

Selection

Once a potential candidate has been identified that candidate would be expected to provide a copy of their resume detailing their skills and experience. Pre-vetting checks (including bankruptcy, criminal record and ASIC's or equivalent Register of Disqualified Directors checks, character, experience and education reviews) would be performed. The Board, generally as part of a Board meeting, would interview the candidate and also explain details of the Company, its operations, policies and expectations. The Board, as a whole, shall consider the appointment and the appointment is subject to the Directors' voting arrangements set out in the Company's Constitution.

Appointment to the Board

Once the Board decides to appoint a new Director, that Director would be expected to sign the Terms and Conditions for appointment of Non-Executive Directors and the Director's 'Consent to Act' form. The Director would also be provided with access to the Company's Corporate Governance Statement and other relevant policies and procedures. Following this an announcement would be made to the ASX containing various details concerning the Directors' skills and experience and the reason for the appointment of the Board. Appropriate details would also be provided to the ASX concerning the Directors' shareholdings in the Company.

Informing Shareholders

Shareholders shall be informed of the names of candidates submitted for election as Directors. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders for new Directors:

- biographical details (including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate);
- a statement by the Board as to whether it supports the nomination of the proposed candidate;
- details of relationships between the candidate and the Company; the candidate and Directors of the Company; and details of any other relationships that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders;
- Directorships held;

- particulars of other positions which involve significant time commitments;
- material adverse information revealed by the checks the Company has performed on the Director; and
- any other particulars required by law.

In order to enable shareholders to make an informed decision regarding the re-election of existing Directors, the following information shall be supplied to shareholders:

- biographical details;
- details of other material directorships currently held;
- a statement by the Board as to whether it supports the re-election of the existing Director and whether or not the Board considers the existing Director to be independent;
- the term of office currently served by any existing Director; and
- any other particulars required by law.

Responsibility

The Chairman is ultimately responsible for compliance with this procedure, however it would be expected that all Directors comply with this procedure.

Review

This Procedure will be formally reviewed by the Board every 3 years.

After the pre-vetting checks (including bankruptcy, criminal record and ASIC's or equivalent Register of Disqualified Directors checks, character, experience and education reviews) have been performed by the Board, the program commences with the consent to act, followed by the Board's approval to accept the consent to act. The new Director's Agreement is executed, along with the Deed of Indemnity, Insurance and Access and the ASX Disclosure Letter. The ASIC and ASX authorities are notified through the relevant mechanisms. The Directors' and Officers' Liability Insurance policy is updated to reflect the new Director.

The new Director is provided with a copy of the following documents for review & absorption:

- Constitution
- Corporate structure
- Corporate Governance Statement
- Corporate Governance Charters, Policies and Memos, including the rights, duties and responsibilities of being a director
- Share Trading Policy [to be executed by the new Director]

The new Director is provided with the ASX Disclosure Letter to execute. The new Director is introduced to the culture and values of the Company and informed of the formal and informal Board meetings. Payroll and administration details of the new Director are communicated to the relevant departments within the Company. The Board advises the new Director that ongoing director education (including key developments in the company, industry and environment in which the Company operates) is the responsibility of the new Director, but provides a framework for reference. Training on key accounting matters and the responsibilities of Directors in relation to financial statements is provided if required.

In addition to overseeing the Director Induction Procedure, the Company Secretary is responsible for:

- Ensuring the Board passes the appropriate resolutions if the new director is to be a bank account signatory;
- Meeting with a new Chair to discuss any proposed changes to Board processes; and
- Discussing a new Chair's expectations for Director development and education and attending to any action items arising.

Review

This Procedure will be formally reviewed by the Board every 3 years.

CORPORATE GOVERNANCE PLAN: INDEPENDENCE OF DIRECTORS ASSESSMENT POLICY

An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement. It is the Board's policy that in determining a Director's independence the Board considers the relationships which may affect independence as set out in Recommendation 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as follows:

When determining the independent status of a Director the Board should consider whether the Director:

- is a substantial shareholder¹ of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least 3 years between ceasing such employment and serving on the Board;
- has within the last 3 years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company or another group member other than as a director; or
- has received performance based remuneration or has participated in an employee incentive scheme.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence and should be disclosed to the Board. For the purposes of determining materiality, the Company discloses its Materiality Thresholds in its Board Charter.

If there is a change in a Non-Executive Director's interests, positions, associations or relationships that could bear upon his or her independence, the Non-Executive director is obliged to inform the Board and the Nomination Committee who can then consider the independence issue and report to the market once a conclusion on the assessment has been made.

Review

This Policy will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

¹ For this purpose a "substantial holder" is a person with a substantial holding as defined in section 9 of the Corporations Act. As at 11/04/12 equals 5%

Purpose

The purpose of the Ongoing Education Framework (“Framework”) is to facilitate the education of Directors and employees so they are equipped with the general and technical knowledge required to carry out their duties and understand the business of the Company. The goal of this Framework is to provide the skills and governance to ensure compliance and best practice in all areas of the business.

Application

All Directors, executives and employees.

Legislative Framework

The operations of the Company are regulated by a number of legislations and regulatory bodies. These include:

- ASIC / Corporations Act 2001 (Cth)
- ASX / ASX Listing Rules & ASX Corporate Governance Council Guidelines
- DMP / Mining Act 1978 (WA)
- EPA / Environmental Protection Act 1986 (WA)
- Relevant accounting standards

Who Provides the Education?

Education may be provided by management and staff, legislative and regulatory bodies, third parties, education institutions, etc, as appropriate.

Induction

- Procedures manuals
- Company Policies

Internal education

- Key developments within the Company
- Industry development
- Risk management
- Safety systems

External education

- Legislation
- Technical courses

Requests for Education

Directors and staff wishing to undertake external education opportunities are required to make a request to the Managing Director (or in the case of the Managing Director, the Chairman). The request should include, an outline of the course/seminar, a summary of how the course/seminar will benefit of the staff member and the Company, the dates and times of the course/seminar and associated costs. Should these requests be granted, attendees are requested to share their education experiences with relevant staff within the organisation; formally or informally as appropriate (where relevant).

Provision for Education

Employees will be granted up to 16 hours of education and development leave during work hours within any calendar year to participate in position- or career-related education opportunities. Requests for education will be assessed on a case by case basis as above. Education required for maintaining licences or professional membership may be excluded from this allowance. All Directors will be allowed to attend at least one relevant conference per year. The Company will endeavour to hold at least one Board Meeting per year on site (when production is imminent or has commenced) for the purpose of further educating the Board on the Company's operations.

Responsibility

While the Company may provide internal and external ongoing education for employees, the information imparted at this session should not be taken as a sanctioned means of compliance. The officeholder or executive remains responsible to determine the most suitable compliance mechanism.

Approval / Review / Amendment History

This Framework will be formally reviewed by the Board every 3 years.

Membership

The Remuneration (and Nomination) Committee shall be appointed by the Board from among the Non-Executive Directors of the Company and shall consist of not less than three members with the majority being independent Directors. Due to the small size of the operations, the Company and hence the Board, Directors who are appointed to the Nomination Committee, have also been appointed to the Remuneration (and Nomination) Committee. The Company does not foresee a conflict of interest with this procedure.

Chair

The Remuneration (and Nomination) Committee shall appoint an independent Director as the Chair of the Committee.

Secretary

The Company Secretary shall be the Secretary of the Remuneration (and Nomination) Committee.

Quorum

A quorum shall be two members.

Meeting Frequency

Remuneration Committee meetings will be held not less than once a year to enable the Committee to undertake its role effectively.

Reporting Procedures

The Secretary shall circulate the minutes of the meetings of the Remuneration (and Nomination) Committee to all members of the Committee for comment and change before being signed by the Chair of the Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Remuneration (and Nomination) Committee meeting along with any recommendations of the Remuneration Committee.

Duties

The duties of the Remuneration (and Nomination) Committee are to:

Remuneration Duties

- assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for Directors and senior executives;
- assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
- obtain the best possible advice in establishing salary levels;
- set policies for senior executives' remuneration;
- review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
- propose, for full Board approval, the terms and conditions of employment for the Managing Director;
- review the Company's recruitment, retention and termination policies and procedures for senior management;
- review and make recommendations to the Board on the Company's incentive schemes;
- review and make recommendations to the Board on the Company's superannuation arrangements;
- reviewing the policy in respect of tenure, remuneration and retirement of Directors; and
- any potential inappropriate bias in remuneration for Directors, senior executives and employees.

Diversity Reporting

The Company's Corporate Governance Statement will include a summary of objectives, progress towards the diversity objectives.

Incentive Plans

Ultimately the shareholders approve any incentive plans however the Board is to:

- review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated, the Board will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- continually review and if necessary improve any existing benefit programs established for employees.

Authority and Resources

The Board may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration. The Board may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters.

Review

This Policy will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

Overview

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices. Details of the nature and amount of emoluments of each Director of the Company are disclosed annually in the Company's Annual Report.

Performance Based Remuneration

The Board recognises that the Company operates in a global environment. To prosper in this environment, the Company must attract, motivate and retain key executive staff. The principles supporting our remuneration policy are that:

- Reward reflects the competitive global market in which we operate.
- Individual reward is based on performance across a range of indicators that apply to delivering results across the company.
- Rewards to executives are linked to creating value for shareholders.
- Executives are rewarded for both financial and non-financial performance.
- Remuneration arrangements are equitable and facilitate the deployment of senior management across the company.
- Senior managers receive a significant component of their reward in equity and are required to retain that holding over time.

Executive and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements. Currently there is a performance based / equity based remuneration schemes. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant. Any future performance based or equity based remuneration for Non-Executive Directors would have objectives that are set so the objectivity of the decision making of the Non-Executive Directors would not be compromised and would be cancelled upon termination of employment.

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Managing Director remuneration is set by the Board with the Executive Director in question not present. Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board determines actual payments to Directors and reviews their remuneration annually, based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of Directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Termination Payments

Termination payments for Executives are clearly defined in the Executive's agreement. Non-Executive Directors do not receive termination payments.

Review

This Policy will be formally reviewed by the Board every year or when certain milestones of the Company are approaching.

Overview

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- Rewards to executives are linked to creating value for shareholders.
- Executives are rewarded for both financial and non-financial performance.
- Remuneration arrangements are equitable and facilitate the deployment of senior management across the company.
- Senior managers receive a significant component of their reward in equity and are required to retain that holding over time.

Executive and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements. Currently there are no performance based or equity based remuneration schemes. Any future performance based or equity based remuneration for Non-Executive Directors would have objectives that are set so the objectivity of the decision making of the Non-Executive Directors would not be compromised and would be cancelled upon termination of employment.

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Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Managing Director remuneration is set by the Board with the Executive Director in question not present. Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board determines actual payments to Directors and reviews their remuneration annually, based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of Directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Termination Payments

Termination payments for Executives are clearly defined in the Executive's agreement. Non-Executive Directors do not receive termination payments.

Review

This Policy will be formally reviewed by the Board every year or when certain milestones of the Company are approaching.

Board of Directors

This policy is to ensure individual directors and the Board as a whole work efficiently and effectively in achieving their functions. Each year the Board will undertake the following activities:

- The Chairperson will meet with each non-executive director separately to discuss individual performance and ideas for improvement.
- The Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement.

Board Committees

This policy is to ensure committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in their charter.

Each year the Board will undertake the following activities:

- The Board will review the necessity of establishing any committees and delegating certain of its responsibilities to the committee.
- The Board will review the committees' achievements during the year based on their duties.
- The Board will review the charters of the committees once per year to ensure that they are up to date.

Chair

One Non-Executive Director evaluates the performance of the Chair by way of discussions with the other Board members similar to the process used for evaluating the performance of the Board (as set out above).

Managing Directors and Key Executives

This policy is to ensure the Managing Director and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

- Each year the Board reviews the Company's strategy.
- Following such a review the Board sets the organisation performance objectives based on qualitative and quantitative measures.
- These objectives are reviewed periodically to ensure they remain consistent with the company's priorities and the changing nature of the Company's business.
- These objectives are the performance targets for the Managing Director.
- Performance against these objectives is reviewed annually by the Board and is reflected in the Managing Directors remuneration review.

Review

This Evaluation Procedure will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

Purpose

This policy is designed to ensure that Lithium Australia NL, as an ASX Listed Public Company, complies with the disclosure requirements of the ASX Listing Rules. It also aims to ensure that senior management are accountable for ensuring compliance with these requirements.

Requirements

ASX Listing Rules, Chapter 3, requires the immediate notification of material information and other defined information. LR 3.1 - Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information. LR 3.1 does not apply to particular information while all of the following are satisfied:

- A reasonable person would not expect the information to be disclosed.
- The information is confidential and ASX has not formed a view that the information has ceased to be confidential.
- One of more of the following applies:
 - It would be a breach of a law to disclose the information.
 - The information concerns an incomplete proposal or negotiation.
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
 - The information is generated for the internal management purposes of the entity.
 - The information is a trade secret.

The only exception to this is where the ASX Listing Rules do not require such information to be disclosed. Upon confirmation of receipt from the ASX, the Company will post all information disclosed in accordance with this policy on the Company's website in an area accessible by the public.

Responsibility

1. **Primary Responsibility**
Managing Director
2. **Secondary Responsibility**
Board of Directors, Company Secretary.

Procedure

- Information is determined by the Managing Director, Board, Company Secretary or other employee of the Company as being of a type or nature that may warrant disclosure to the ASX;
- If not known by the Managing Director, all information should be reported to the Managing Director;
- The Managing Director will determine the nature and extent of the information and consult with the Chairman to determine the form and content of any ASX Release (Release);
- The Managing Director and Chairman will jointly agree on the text of the proposed Release and will be responsible for ensuring that Company establishes a vetting procedure to ensure that the announcements are factual and do not omit any material information, whilst safeguarding the confidentiality of corporate information. They will also be responsible for ensuring that Company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

The Company Secretary may also be required to draft the Release for review and will liaise with the Managing Director and Chairman to ensure all announcements are made in a timely manner.

- Depending on the nature of the release, the sensitivity of the information, availability of the Board, the Managing Director and Chairman will then determine whether the Board, as a whole, should be involved in the review of the Release (with the appropriate authorisation noted in the announcement itself);
- The Company Secretary will then release the ASX Release to the market, and ensure that the Website is updated.

Directors must also notify the Company Secretary as soon as practicable, but not later than 5 business days after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the Corporations Act and ASX Listing Rules, the Company on behalf of the Directors must advise the ASX of any transactions conducted by them in the securities of the Company. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

Communications with Brokers, Analysts, Shareholders and the Media

The Company has appointed a Media Officer(s). Only the Media Officer(s) is authorised to speak with the Media. When talking with brokers, analysts and shareholders, only information which has been released to the market can be discussed. The Media Officer is the Managing Director.

Review

This Policy will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

Identification of Risk

The Board is responsible for the oversight of the Group's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director and Company Secretary having ultimate responsibility to the Board for the risk management and control framework.

The primary objectives of the risk management system at the Company are to ensure:

- all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- business decisions throughout the Company appropriately balance the risk and reward trade off;
- regulatory compliance and integrity in reporting is achieved; and
- senior management, the Board and investors understand the risk profile of the Company.

In line with these objectives the risk management system covers:

- Operations risk;
- Financial reporting; and
- Compliance / regulations
- System/IT process risk

Arrangements put in place by the Board to monitor risk management include:

- monthly reporting to the Board in respect of operations and the financial position of the Company;
- quarterly rolling forecasts prepared; and
- circulate minutes of any relevant Committees to the Board and the Chairman of each respective committee.

A risk management register has also been developed and provides a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Integrity of Financial Reporting

The Company's Managing Director and Chief Financial Officer report, in accordance with section 295A of the Corporations Act, in writing to the Board that:

- the financial statements of the Company and its controlled entities (where appropriate) for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Review of Risk Management Policy

Given the speculative nature of the Company's business it is subject to general risks and certain specific risks. The Company has developed and implemented a Risk Register. The analysis and evaluation criteria are used to continually assess the impact of risks upon the Company's business objectives. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. The annual business planning process includes careful consideration of internal and external risk profile of the company. Managers will report monthly to the Board on the areas they are responsible for, including key business risks.

The Company's business risk management process provides a comprehensive, integrated approach for carrying out risk management activities. This process will allow management to minimise the potential impact of business risks in achieving objectives to create and protect shareholder value.

Responsibilities

Managing Director

The Managing Director is accountable to the Board, for ensuring that the risk management system is implemented and maintained in accord with the Risk Management Policy. Assignment of responsibilities in relation to risk management is the prerogative of the Managing Director.

Senior Executives

Senior Executives are accountable for strategic risk management within areas under their control including the dissemination of the risk management process to operational managers. Collectively the Senior Executive is responsible for:

- The formal identification of strategic risks that impact upon the Company's business;
- Allocation of priorities;
- The development of strategic risk management plans;
- The Senior Executive review progress against agreed risk management plans.

Company Secretary

In conjunction with the Managing Director the Company Secretary is accountable for the implementation of the Risk Policy and for maintaining a programme of risk reassessment. The Company Secretary also provides advice to the relevant Senior Executives on risk management matters relevant to their responsibilities. The Company Secretary is to assist senior management and the Board in the effective discharge of their responsibilities with regard to the Company internal control environment by ensuring the efficiency and effectiveness of Company processes and identifying opportunities to improve operating performances. At appropriate intervals, the Company Secretary shall determine the adequacy and effectiveness of the Company's system of internal accounting and operating controls and determine if the business unit/function are managing risks, in accordance with management instruction, policies and procedures, in a manner consistent with Company objectives.

Review

This Policy will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

Purpose

This Share Trading Policy sets out the Company's policy regarding the trading in the Company's securities, which includes shares, options, warrants, debentures and any other security on issue from time to time ("Company's Securities"). This policy is separate from and additional to the legal constraints imposed by the common law, the Corporations Act 2001 and ASX Listing Rules.

This policy applies to Key Management Personnel, including, Directors and employees of the Company and their associates (including spouses, children, family trusts and family companies) as well as contractors, consultants, advisers and auditors of the Company (collectively referred to as "Personnel").

The purpose of this Policy is to:

- impose closed trading periods ("Closed Periods") at various times during the year, particularly in periods leading up to an announcement of results, during which trading of the Company's securities by Personnel is prohibited;
- set out procedures to reduce the risk of insider trading; and
- the steps to take when buying or selling securities in the Company.

Requirements

A basic explanation on insider trading is provided below including a description of what conduct may constitute insider trading. It is illegal to trade in the Company's securities while in possession of unpublished Price Sensitive information concerning the Company. A person will be guilty of insider trading if:

- (a) that person possesses information in relation to a company which is not generally available to the market, and if it were generally available to the market, would be likely to affect the price or value of that company's securities (i.e. information that is "Price Sensitive"); and
- (b) that person:
 - (i) buys or sells securities in the company;
 - (ii) procures someone else to buy or sell securities in the company; or
 - (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to deal in the securities or procure someone else to deal in the securities of the company.

Price Sensitive information means information relating to the Company that would, if the information were publicly known, be likely to:

- (a) have a material effect on the price or value of the its shares; or
- (b) influence persons who invest in securities in deciding whether or not to buy or sell the company's shares.

The following are examples of Price Sensitive information which, if made available to the market, would be likely to affect the price of the Company's securities:

- (a) drill or exploration results;
- (b) entry into or termination of a material contract (such as a major joint venture);
- (c) a material acquisition or sale of assets by the Company;
- (d) an actual or proposed takeover or merger;
- (e) an actual or proposed change to the Company's capital structure;
- (f) a proposed dividend or a change in dividend policy;
- (g) a material claim against the Company or other unexpected liability; or

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(h) a major change to the Board or senior management.

Closed Periods

The Chairman will generally not allow Personnel to deal in the Company's Securities or in financial products issued or created over or in respect of the Company's Securities in the following periods ("Closed Periods")

- (a) within the period of 5 days prior to the release of annual, half yearly or quarterly results;
- (b) within the period of 5 days prior to the Annual General Meeting; and
- (c) if there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

This obligation operates at all times and applies to dealings in the Company's Securities by family members and other associates of Personnel as well as to personal dealings by Personnel.

Personnel must not communicate Price Sensitive information to a person who may deal in the Company's Securities. In addition, Personnel should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of the Company's Securities during Closed Periods

Additional Restrictions on Short-Term Trading

The Company encourages Personnel to adopt a long-term attitude to their investment in the Company's Securities. Consequently, Personnel must not, at any time, engage in short-term trading or speculative trading of the Company's Securities.

Related Companies

Personnel, where they possess inside information, should also not deal in securities of other companies with which the Company might have an association or be about to enter such association such as joint venture or farm in partners.

Guidelines for Trading in the Company's Securities

Personnel can deal in the Company's Securities outside of any Closed Period in the following circumstances:

- (a) they have satisfied themselves that they are not in possession of any Price Sensitive information that is not generally available to the public;
- (b) they have contacted the Chairman or in his absence, the Managing Director and notified them of their intention to do so and the Chairman or Managing Director indicates that there is no impediment to them doing so.

Where the Chairman wishes to deal in securities, he has contacted the Managing Director, or in his absence, the Company Secretary and notified them of their intention to do so and the Managing Director or Company Secretary indicates that there is no impediment to them doing so.

The requirement to provide notice of an intention to trade in the Company's Securities does not apply to the acquisition of securities through Director, officer or employee share or option plans. However, the requirement does apply to the trading of the securities once they have been acquired or issued under the plans.

Exclusions

This policy does not apply in the following circumstances:

- a) any issue of securities by the Company pursuant to a prospectus or like disclosure under the Corporations Law, or under employee share and option plans;

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- b) trading which does not result in a change in beneficial control of the Company's shares eg. transferring a personal holding of the Company's shares to a superannuation fund;
- c) the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security. However, insider trading rules and this Policy do apply in relation to the subsequent disposal of any Securities acquired under an option. Where Personnel exercise options while in the possession of price sensitive information, he/she will have to fund the exercise of the options without the financial assistance of a simultaneous sale of some or all shares just acquired. If the options expire outside Closed Period described this Policy, then Personnel may simultaneously exercise and sell any securities subject always to compliance with insider trading laws;
- d) undertakings to accept, or the acceptance of, a takeover offer;
- e) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board;
- f) trading in the Company's Securities by a managed securities portfolio where Personnel are not in position to influence choices in the portfolio;
- g) where Personnel are trustees, trading in the Company's Securities by that trust provided Personnel are not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of Personnel;
- h) undertakings to accept, or the acceptance of, a takeover offer; and
- i) trading under a non-discretionary trading plan for which has been approved by the Chairman and Managing Director and where:
 - (i) Personnel did not enter into the plan or amend the trading plan during a Closed Period;
 - (ii) The trading plan does not permit Personnel to exercise any influence of discretion over how, when or whether to trade.

Such a trading plan may not be cancelled during a Closed Period other than in exceptional circumstances.

Dealing in Exceptional Circumstances

In specific circumstances, such as financial hardship, the Chairman may waive the requirement of Personnel to deal in securities during Closed Periods on the condition that Personnel can demonstrate that they are not in possession of any price sensitive information that is not generally available to the public. Should any party, the subject of this Share Trading Policy, wish to trade during a Closed Period, they must submit a written request to the Board and satisfy the Board that exceptional circumstances exist and a failure to trade in the company's securities would result in exceptional circumstances such as financial hardship.

Any request for permission to trade in during a Closed Period will be assessed by the full Board (or in the case of a Director, the balance of the Board) on a case by case basis.

ASX Notification by Directors

Directors must notify the Company Secretary within three business days after any dealings in the Company's securities (either personally or through a third party). This enables the Company to notify ASX of the change in the Director's or connected person's interests within the requisite time frame of no more than 5 business days after the change has occurred.

It is the individual responsibility of Directors to ensure they comply with this requirement.

Where a Director is granted permission to trade within a Closed Period, the notification to ASX must state whether the trade was made during a Closed Period where prior written approval is required and the date on which that written approval was provided - prior to the trade occurring.

Consequences of Breach of the Policy

A breach of this Policy by any of the Company's Personnel may expose them to criminal and/or civil liability under the Corporations Act (Cth) 2001.

The Company will regard breach of this Policy as serious misconduct and is considered a cause for termination of employment or engagement.

Should the application of this Share Trading Policy conflict with the Corporations Act 2001, in any way, the Corporations Act 2001 will prevail.

Review

This Policy will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

Review date: 29/09/2021

Purpose

This Diversity Policy sets out the Company's diversity policy and the processes whereby the Company will address, at a minimum, the objectives set out in Principle 1.5 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The purpose of this Diversity Policy is to enable the Board to:

- set measurable objectives to achieve gender diversity
- report the progress of these measurable objectives

Although for the purpose of ASX recommendations, this policy will refer principally to gender diversity, this approach however, in no means limits the Company's recognition and respect for the value of diversity at all levels of the organisation. A diverse workplace includes the skills and perspective that people bring to the organisation through, but not limited to, experience, gender, age, culture and beliefs.

Implementation

The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation. Please also refer to the Company's Director Selection Procedure for specific procedures in relation to directors. To ensure the optimal implementation of this policy the following procedures will be followed:

- equal employment opportunities based on relative ability and potential for the best business performance outcomes;
- transparent selection processes and reviews;
- engage employment consultants, if appropriate, to identify and assess the best candidates available for positions;
- attract and retain a skilled and diverse workforce;
- succession planning and training opportunities;
- formal implementation and monitoring of diversity targets; and
- linking achievement of measurable objectives to Board Key Performance Indicators, where appropriate.

Diversity Objectives

As at the date of this Diversity Policy, the Company employs the following proportion of women (including consultants):

- appointed to the Board: 25%
- appointed to senior management (including Company Secretary): 20%
- across the whole organisation: 29%

Objectives

As at the date of this policy, the Company's objectives are to acknowledge and respect the value of diversity at all levels of the organisation. A diverse workplace includes the skills and perspectives that people bring to the organisation through, but not limited to, experience, gender, age, culture and beliefs. Ideally this diversity should reflect the societies and regions (Australia) in which the Company operates.

As part of the strategy for diversity in the workplace, the Company has set targets for the employment of women, including:

- appointed to the Board: 25% by 2025
- appointed to senior management: 25% by 2025
- across the whole organisation: 25% by 2025

The Company recognises that the industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. The Company recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and sexual orientation. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool. The Nomination Committee will review and monitor and report on the progress of these objectives at least annually. The Company will continue to look at other measures of diversity.

Diversity Reporting

The Company's Corporate Governance Statement in the Annual Report will include a summary of objectives, progress towards these objectives and the portion of women engaged in the organisation.

Review

The objectives and effectiveness of this Diversity Policy will be reviewed by the Board annually.

The Board of Directors aims to ensure that Shareholders are informed of all major developments. Information is communicated to Shareholders as follows:

Reports to Shareholders

The Annual Report is only distributed to those Shareholders who have requested to receive it, either electronically, or as a hard copy. The Board ensures that the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future developments, in addition to the other disclosures required by the Corporations Act 2001.

The Half Year Report contains summarised financial information and a review of the operations of the Company during the period. Half Year audited Financial Statements prepared in accordance with the requirements of Accounting Standards and the Corporations Act 2001. Both reports are lodged with the Australian Securities & Investments Commission and the Australian Securities Exchange. The Financial Statements are sent to any Shareholder who requests them.

ASX Announcements

Regular reports are released through the Australian Securities Exchange and the media. Every ASX announcement regarding the Company's operational updates is e-mailed to all shareholders and potential investors who have requested communications in this form.

Shareholder Meetings

The Board encourages full participation of shareholders at Shareholder Meetings to ensure a high level of accountability and identification with the Company's strategy and goals. In preparing for Shareholder Meetings, the Company will draft the notice of meeting and related explanatory information so that they provide all of the information that is relevant to shareholders in making decisions on matters to be voted on by them at the Shareholder Meetings. This information will be presented clearly and concisely so that it is easy to understand and not ambiguous.

The Company will use Shareholder Meetings as a tool to effectively communicate with shareholders and allow shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the Shareholder Meetings. The external auditor of the Company will be asked to attend each Annual General Meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Important issues are presented to the shareholders as single resolutions. The shareholders are also responsible for voting on the appointment of directors. For shareholders who are unable to attend the Shareholder Meetings, they are encouraged to contact the Company (contact details are included on the Company's website) with any questions they may have requiring a response at the Shareholder Meetings. Voting at Shareholder Meetings is done by way of completing the proxy form attached to notices of meetings.

Company Website

The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company.

In particular, where appropriate, after confirmation of receipt by the ASX, the following will be posted to the Company website:

- relevant announcements made to the market via the ASX;
- media releases;
- investment updates;
- Notices of Shareholder meetings and explanatory materials;
- Company presentations and media briefings;
- copies of press releases and announcements; and
- copies of annual and half yearly reports including financial statements.

Other Information

While the Company aims to provide sufficient information to shareholders about the Company and its activities, it understands that shareholders may have specific questions and require additional information. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and email addresses of the Company all directors (via the website) for shareholders to make their enquiries.

Review

This Policy will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.

Introduction

The Company has adopted a Corporate Governance Manual which forms the basis of a comprehensive system of control and accountability for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Company is pleased to make the following information on its corporate governance practices available on this website:

- Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks
- Names and biographical details of each of its directors and senior executives
- Copies of annual, half yearly and quarterly reports
- ASX announcements
- Copies of notices of meetings of security holders
- Media releases
- Overview of the Company's current business, structure and history
- Summary of the terms of the securities on issue
- Historical market price information of the securities on issue
- Contact details for the share registry and media enquiries
- Share registry key security holder forms

Review

This Disclosure will be formally reviewed by the Board every year and the information on the website will be updated regularly.

Purpose

The purpose of the Social Media Policy (“Policy”) is to minimise the Company’s social media risk. This Policy defines the Company’s view of the use of Social Media by its Directors, executives and employees, consultants and contractors.

Application

All Directors, executives and employees, consultants and contractors.

Background

The distinction between professional and private lives can easily become blurred through social media.

Social Media – Personal Usage

- References to the Company either directly or implied are not acceptable with the exception of references that contribute positively to the business reputation and/or marketing of the Company.
- References to confidential Company information are not acceptable either directly or implied.
- Posting negative or controversial comments about work colleagues is not acceptable.
- Posting comments that may have privacy or other consequences for clients, contractors, suppliers, business relationships, etc., is not acceptable.
- Excessive use of social media during work hours will not be tolerated.

Responsibility

Individuals are responsible for the content and security of their own social media accounts. Individuals are also responsible for their own reputation and any impact of their actions on the Company’s or their colleagues’ reputation.

Related policies

Internal Grievance Policy; Confidentiality Agreement; Employment Contract

Queries

If there are any queries regarding the operation of this policy, please contact the Managing Director, Adrian Griffin.

Review

This Policy will be formally reviewed by the Board every year.

The Board acknowledges the need for independent judgement on all Board decisions, irrespective of each individual Director's independence.

To assist Directors with independent judgement, it is the Board's policy that if a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the Director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Review

This Policy will be formally reviewed by the Board no less than every 3 years or when certain milestones of the Company are approaching.