



Whitehaven Coal Limited

Board Charter

INTRODUCTION

1. This is the Board Charter for Whitehaven Coal Limited (**Whitehaven**). The charter outlines the main corporate governance practices that are in place for Whitehaven and to which both Whitehaven's Board (**Board**) collectively and the Directors individually are committed.
2. The conduct of the Board is also governed by the Constitution, and, to the extent that the terms of the Constitution are inconsistent with this document, the Constitution is to prevail.

GUIDING PRINCIPLE

3. The Board will act honestly, conscientiously and fairly, in accordance with the law, in the interests of Shareholders (with a view to building sustainable value for them).

FUNCTION

4. The Board's broad function is to:
 - a) chart strategy and set financial targets for the Group;
 - b) monitor the implementation and execution of strategy and performance against financial targets; and
 - c) appoint and oversee the performance of executive management,and generally to take and fulfil an effective leadership role in relation to the Group.

POWERS

5. The Board has responsibility for the matters specified in paragraph 4 and, in addition to those matters reserved to it by law, reserves to itself the following matters and all power and authority in relation to those matters:
 - a) composition of the Board itself including appointment and retirement or removal of Directors;
 - b) oversight of the Group including its control and accountability systems;
 - c) appointing and removing the CEO;
 - d) ratifying the appointment and, where appropriate, the removal of the CFO and the secretary;
 - e) reviewing and overseeing the operation of systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and regulatory compliance;

- f) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
 - g) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
 - h) approving and monitoring financial and other reporting;
 - i) performance of investment and treasury functions;
 - j) monitor industry developments relevant to the Group and its business;
 - k) developing suitable key indicators of financial performance for the Group and its business;
 - l) input into and final approval of management's development of corporate strategy and performance objectives;
 - m) the overall corporate governance of the Group including the strategic direction, establishing goals for management and monitoring the achievement of these goals; and
 - n) oversight of Committees.
6. To assist in the execution of its responsibilities, the Board has the authority to establish Committees (and delegate powers accordingly) to consider such matters as it may consider appropriate including, by way of example only, audit matters, finance and business risks, remuneration, and nominations and to establish a framework for the effective and efficient management of Whitehaven and the Group.

COMPOSITION

7. The composition of the Board is determined according to the following principles:
- a) the Board must comprise members with a broad range of experience, expertise, skills and contacts relevant to the Group and its business;
 - b) there must be at least five Directors;
 - c) the number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified;
 - d) the Chairman must be a non-executive Director who is also Independent; and
 - e) at least half of the Board must be non-executive Directors at least two of whom must also be Independent.

INDEPENDENCE

8. 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 judgment.
9. The Board reviews and makes a determination regarding each Director's independence on a regular basis as required by any change in circumstance that may affect an individual's independence.

10. In making this determination regarding independence the Board has regard to all relevant facts and circumstances that apply and to the relevant guidelines but ultimately the Governance and Nomination Committee will assess whether the Director is independent of management and any business or other relationship that could materially interfere with the exercise of objective or independent judgment or the Director's ability to act in the best interests of the Company. Following that process the Governance and Nomination Committee will make recommendations to the Board prior to their final determination of an individual Director's independence. The Board retains ultimate discretion in its judgment to determine if a Director is independent.
11. The Board has not adopted hard and fast 'set and forget' rules. Rather, the following questions have been adopted to assist in defining independence:
- Is the director a substantial shareholder of Whitehaven or an officer of, or otherwise associated directly with, a substantial shareholder of Whitehaven?
 - Is the director employed, or has the director been employed in an executive capacity by Whitehaven or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board?
 - Within the last three years has the director been:
 - a) a principal of a material professional adviser to Whitehaven or another group member;
 - b) a material consultant to Whitehaven or another group member; or
 - c) an employee materially associated with the service provided by such adviser or consultant to Whitehaven?
 - Is the director a material supplier or customer of Whitehaven or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer?
 - Does the director have a material contractual relationship with Whitehaven or another group member other than as a director of Whitehaven?
 - Has the director served on the Board for a period that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Whitehaven?
 - Is the director free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Whitehaven?

DISCLOSURE OF INDEPENDENCE

12. Each independent director of Whitehaven must regularly provide the Board all information regarding his or her interests that is relevant to his or her independence having regard to the standard discussed in paragraphs 8 to 11.

APPOINTMENT AND RETIREMENT

13. When a vacancy exists, through whatever cause, or where the Board considers that it would benefit from the services of a new member with particular skills, the Board considers a panel of candidates identified and selected by the Governance and Nomination Committee having regard to:
 - a) what may be appropriate for Whitehaven and the Group;
 - b) the skills, expertise and experience of the candidates;
 - c) the mix of those skills, expertise and experience with those of the existing Directors; and
 - d) the perceived compatibility of the candidates with the Group and with the existing Directors.
14. Potential candidates to be appointed as Directors are considered by the Board with advice from an external consultant as considered by the Board to be appropriate. The Board then appoints the most suitable candidates who (assuming that they consent to act as Directors) continue in office only until the next AGM and are then eligible for election but are not taken into account in determining the number of Directors to retire by rotation at the AGM.
15. The terms and conditions of the appointment of all new members of the Board must be specified in a letter of appointment. The letter of appointment may refer to the Constitution and to this document.
16. Under the Constitution at least one third of all Directors, being the longest serving Directors, must retire at each AGM. Directors, excluding the CEO (if a Director), must also retire if a third AGM falls during the period in which they have held office. Retiring Directors are eligible to be re-elected.

PERFORMANCE REVIEW AND EVALUATION

17. The performance of all other Directors is reviewed and assessed each year by the Chairman, including their role, if any, as members of any standing or ad hoc Committee.
18. The performance of the Chairman is reviewed and assessed each year by the other Directors.
19. The evaluation criteria and process to be followed is the same in each case.
20. The Chairman determines the evaluation criteria and process.
21. Members of the Board whose performance is unsatisfactory are asked to retire.
22. An external assessment of the Board's policies and procedures, and its effectiveness generally, is conducted by independent professional consultants at such times as the Chairman believes appropriate.

TRAINING AND ADVICE

23. Directors are provided with proper information in relation to Whitehaven and the Group before accepting appointment, and also with a proper induction course on accepting appointment, in each case appropriate for them to discharge their responsibilities in office.
24. Directors are provided with access to continuing education in relation to the Group extending to its business, the industry in which it operates, and generally information required by them to discharge the responsibilities of their office.
25. Each Director has the right to seek independent legal or other professional advice at Whitehaven's expense. Prior approval from the Chairman is required but may not be unreasonably withheld or delayed.

MEETINGS

26. Board meetings are normally held monthly but will number not less than ten in any year.
27. Papers for Board and Committee meetings are circulated, wherever practical, at least five days before the relevant meeting.
28. The non-executive Directors meet at least twice each financial year for private discussion of management issues.

SECRETARY

29. The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for monitoring that the Charter is duly followed and for coordinating the completion and despatch of Board and Committee agenda and briefing materials as well as draft minutes of meetings of the Board and all Committees for approval at the next meeting.

COMMITTEES

30. The Board may establish Committees to assist it in carrying out its function and for its effective and efficient performance and will adopt a charter for each Committee established dealing with the scope of its responsibility and relevant administrative and procedural arrangements.
31. The Committees established and subsisting at the date of this document are the following:
 - a) Audit and Risk Committee;
 - b) Remuneration Committee;
 - c) Governance and Nomination Committee; and
 - d) Health, Safety, Environment and Community Committee.



ETHICAL STANDARDS AND VALUES

32. All Directors and all officers of Whitehaven and each other company in the Group must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of Whitehaven and the Group and, where possible, to act in accordance with the interests of Shareholders, staff, clients and all other stakeholders in Whitehaven.
33. The Directors must comply with the Code of Ethics in the exercise of their duties.

DEALINGS IN SECURITIES

34. The Constitution permits Directors to acquire Securities. Company policy prohibits any dealing in, or procuring the dealing in, Securities except in accordance with the Company's securities trading policy.

BUSINESS RISKS

35. The Board has the responsibility for the maintenance of the strategy of Whitehaven which includes the identification of significant business risks. This responsibility is fulfilled by the Audit & Risk Committee which reviews the major risks affecting each business segment and develops strategies to mitigate these risks. It reports to the Board following each meeting.
36. The risks of Whitehaven's and the Group's business are reviewed by the Board following each report by the Audit & Risk Committee. This report is a specific agenda item at each regular meeting of the Board. Once a risk is identified, an action plan is instigated, and the Audit & Risk Committee (and, through it, the Board) is informed of the action plan proposed by management. The Audit & Risk Committee must approve the action plan. Corrective action is taken as soon as practicable. Major business risks arise from such matters as actions by competitors, changes in government policy and use of information systems.
37. The Group Operating Policies & Procedures, which are provided to all staff and with which they are required to comply, contains risk management procedures that aim to address risk management issues including the risk that professional indemnity claims may be made against the firm.
38. The CEO and CFO must each provide a statement to the Board with any financial report to the effect that Whitehaven's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

COMMUNICATION WITH SHAREHOLDERS

39. The Board aims to ensure that Shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to Shareholders as follows:
 - a) Whitehaven's continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board. Each Director is required at every such meeting to confirm details of any matter within his knowledge that might require disclosure to the market.
 - b) The annual report is distributed to all Shareholders. The Board ensures that the annual report includes relevant information about the operations of the Group during the year, changes in

the state of affairs of the Group, and details of future developments in addition to the other disclosures required by the Act. To assist Shareholders in communicating issues to the Board, reply paid question cards are issued with the annual report.

- c) Proposed major changes in the Group which may impact on share ownership rights and the removal and appointment of Directors are submitted to a vote of Shareholders at an AGM. If resolutions are required to be put to Shareholders before the next AGM, a general meeting will be called with at least 28 days' notice in accordance with the Constitution. The Board encourages the full participation of Shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Group's strategy and goals.
- d) The external auditors will be requested to attend the AGM and be available to answer questions by Shareholders on the conduct of the audit and the preparation and content of the audit report.
- e) The half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The report is lodged with and available from the ASX and the ASIC. It is also sent to any Shareholder who requests it from Whitehaven.
- f) Company announcements are made in a manner which is factual, timely, clear, and objective manner, and so as not to omit any information material to decisions of Shareholders and potential investors in Whitehaven.
- g) Information concerning Whitehaven and the Group, including copies of announcements made through the ASX and the annual report and half-yearly report, is made available to Shareholders and prospective investors in Whitehaven on Whitehaven's website. Whitehaven has a continuing commitment to electronic communication with Shareholders and stakeholders generally including via its website.

RECOGNITION OF INTERESTS OF STAKEHOLDERS

- 40. Directors must recognise that their primary responsibility is to Shareholders as a whole however, Whitehaven must function within, and operate with a sense of responsibility to, the wider community as well as to Shareholders. It is Whitehaven's belief that this sense of responsibility to stakeholders generally is an essential part of its role within the broad community and represents not only sound ethics but also good business sense and commercial practice.
- 41. As part of this broad responsibility Whitehaven welcomes constructive feedback on its contribution to and role within the community at AGMs and via its website.

CODE OF ETHICS AND VALUES

OBJECTIVE

- 42. The objective of this code is to give the Directors mandatory directions to be followed in performing their duties with a view to enabling them to achieve the highest possible standards in the discharge of their obligations and give them a clear understanding of best practice in corporate governance.

OBLIGATION

43. A Director has an obligation, at all times, to comply with the spirit and the principles of this code as well as the law.
44. Taking a position on the Board involves taking on important legal and ethical responsibilities as well as making a commitment to uphold the values of good corporate citizenship in both individual conduct and corporate actions. These responsibilities, and this commitment, are regulated by this code for Directors who must regard themselves as bound by it accordingly. The adherence by each Director to the requirements of this code is critical to the effective operation of the Board. No person should therefore accept a Board position if they have any doubt about their ability to fulfil their obligation to comply with the requirements of this code.

GENERAL DUTIES

45. Directors must:
 - a) act in good faith in the best interests of Whitehaven and for a proper purpose;
 - b) act in the interests of all Shareholders and to avoid any potential conflict of interest;
 - c) exercise a reasonable degree of care and diligence;
 - d) not make improper use of information; and
 - e) not make improper use of their position.
46. Breaches of these duties at common law and under the Act may expose Directors to potential liability in damages, fines and disqualification.
47. A Director, in the exercise of his or her powers, and in the discharge of their duties, must exercise the degree of care and diligence that a reasonable person would exercise if they were a Director in the circumstance prevailing and occupied the office held by, and had the same responsibilities within Whitehaven, as the Director.
48. A Director must, as a fiduciary, act with fidelity and trust in relation to Whitehaven. The Board has been appointed to manage the affairs of Whitehaven on behalf of the shareholders and is accountable not only to shareholders but to other third parties including creditors, regulators and the community.
49. The Act requires Directors to act honestly and with a reasonable degree of care and diligence in the exercise of their powers and duties and the discharge of their duties.
50. To undertake the role of a Director without taking steps to acquire and maintain a reasonable level of competence is also likely to be considered negligent. All Board members are therefore required to attend at least one educational seminar a year to enable them to be kept fully informed of matters relevant to their position as a Director.
51. Whitehaven maintains a directors' and officers' liability insurance. Directors should ensure that they are fully aware of the terms of this insurance so as to be able to qualify for protection under it.

BUSINESS JUDGMENT RULE

52. Each Director should be familiar with the business judgment rule set out below.

53. A Director's duty to act with care and diligence will be taken to be satisfied where the Director:

- a) makes a judgment in good faith and for a proper purpose:
 - i) this requires an honest exercise of powers in the best interests of the Company on the basis of an objective view;
 - ii) decisions which would allow some Directors or Shareholders to gain an advantage over others may be indicative of those made for improper purposes – even where the decision does not result in damage to the Company;
- b) has no material personal interest in the subject-matter of the judgment made:
 - i) this requires the avoidance of any conflict of interest;
- c) is informed about the subject-matter of the judgment to the extent the Director reasonably believes to be appropriate:
 - i) this requirement is satisfied where the Director has made a reasonable effort to be informed; and
- d) rationally believes the judgment to be in the best interest of Whitehaven:
 - i) this requirement is presumed to be satisfied unless no reasonable person in the Director's position would have made that judgment.

54. The business judgment rule:

- a) relates only to decisions about the ordinary business operations of Whitehaven; and
- b) does not relieve a Director from other fiduciary duties (over and above those owed as a Director) such as to act in good faith, not to misuse the position of Director, not to make improper use of confidential information, and to prevent insolvent trading.

55. A business judgment is any decision to take or not to take action in respect of a matter relevant to the business operations of the Company; it does not apply to any failure to take a decision.

DECISION-MAKING

56. A Director must be independent in judgement and actions and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

57. In order to satisfy this requirement a Director must:

- a) make a reasonable effort to become and remain familiar with the affairs of the Group;
- b) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- c) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Group without placing undue reliance on other Directors to fulfil those duties.



58. Directors should rely on advice relating to Company or the Group or their affairs only where that advice is given or prepared by:
- a) an employee whom the Director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
 - b) a professional adviser or expert in relation to matters that the Director believes on reasonable grounds to be within the person's professional or expert competence;
 - c) another Director or officer in relation to matters within that Director's or officer's authority; or
 - d) a Committee (on which the Director did not serve) in relation to matters within the Committee's authority;
59. Directors should only rely on such information or advice if:
- a) the Director's reliance was made in good faith, and after making an independent assessment of the information and advice, having regard to the Director's knowledge of Whitehaven and Group and the complexity of their structure and operations; and
 - b) the reasonableness of the reliance arose in proceedings brought to determine whether the Director performed his or her duties under the Corporations Act 2001 or the common law.

CONFIDENTIALITY

60. Directors must observe confidentiality regarding all Board matters and all confidential information received by a Director in the course of the exercise of their duties.
61. All information received by a Director in the course of fulfilling Board duties must be regarded as confidential and remains the property of Whitehaven. Confidential information is not limited to information that may be regarded as price-sensitive and extends to (by way of example only) information that is not price-sensitive as such but might reasonably be considered of use or of interest to retail investors.
62. A Director may not disclose information, or allow it to be disclosed, to any other person unless that disclosure has been authorised by Whitehaven or is required by law to be disclosed. All discussions and resolutions of the Board must likewise be treated as confidential and not disclosed, or allowed to be disclosed, as regards either content or substance, to persons who are not Directors except in cases where disclosure:
- a) has been authorised by Whitehaven; or
 - b) is required by law.
63. Authorisation by Whitehaven will be presumed where and to the extent that Board or Committee minutes convey, either expressly or implicitly, that it is intended that disclosure should be made to third parties.
64. Any Director in any doubt as to their obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman prior to making any disclosure. A Director may also seek independent advice in accordance with paragraph 25.

IMPROPER USE OF INFORMATION

65. A Director must not make improper use of information acquired as a Director.
66. Directors are also prohibited from making improper use of information acquired by virtue of their position as a Director so as to gain, directly or indirectly, any personal advantage or any advantage for any other person or that may cause detriment to Whitehaven or the Group. A Director may also seek independent advice in accordance with paragraph 25.

CO-OPERATION

67. Directors must observe solidarity with the resolutions of the Board and co-operate in their implementation.
68. Board members are part of a team. As such they must work co-operatively with the Chairman and other Directors and with management. Directors must therefore observe solidarity regarding the resolutions of the Board or any Committee. Directors must not speak against a resolution of the Board or any Committee to any person other than fellow Directors. Directors must also support Board resolutions by providing assistance and co-operation in their implementation.

PERSONAL INTERESTS AND CONFLICTS

69. A Director must not take improper advantage of their position as a Director.
70. No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice their conduct or any Board or Committee decision.
71. A Director has a duty to avoid any conflict between the best interests of Whitehaven and the Group and their own personal interests or those of any third party. Every Director must be aware of both actual and potential conflicts of interest. The law requires that a Director with a conflict of interest should refrain from voting, or entering into any discussion, at, or even being present during, relevant Board discussions. A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter. A personal interest may be either direct or indirect and either pecuniary or otherwise. Papers relevant to any matter on which there is a known conflict of interest, or in relation to which there is a material personal interest, will not be provided to any Director concerned.

CONDUCT

72. A Director must not engage in conduct likely to bring discredit upon Whitehaven or the Group.
73. Each Director must be and remain aware of, and observe, any standing orders adopted by the Board from time to time for the conduct of Board and Committee meetings.
74. Directors must at all times comply with the spirit as well as the letter of the law and with the principles of this code.
75. Directors should conduct themselves at all times in a sober, polite, lawful and restrained manner in carrying out their duties, at both Board and Committee meetings, at Company functions and meetings, and where otherwise dealing with matters concerning or involving Whitehaven.



PERFORMANCE

76. Directors must recognise that their primary responsibility is to Whitehaven's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders.
77. An independent expert appointed by the Board shall conduct a biennial review of the effectiveness of the Board's performance.
78. The Board is accountable not only to Shareholders, but to other third parties, including creditors, regulators and the community. However, it is not practical for any of these interest groups to undertake regular appraisals of Board performance, and nor would such appraisal be appropriate as a particular interest group could have difficulty being impartial or objective. The Board must satisfy itself that it is performing to maximum efficiency so that all Directors can be assured that they are fulfilling their obligations and that there is no exposure for them to any legal liability. Each Director must cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by the Chairman or any other Director or by any independent third party externally appointed for the purpose.

COMPLAINTS

79. Directors must abide by the complaints procedure determined by the Board.
80. The Board is concerned with the development and formulation and proper implementation of strategy and policy. Management carries strategy and policy into effect. Directors may from time to time be approached by Shareholders, staff or other persons who have a complaint about a matter relating to Whitehaven or the Group. Any such complaint must be dealt with in accordance with the relevant procedure contained in the Group Operating Policies & Procedures.



Definitions

Act	Corporations Act 2001 (Cth)
AGM	annual general meeting of Whitehaven
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691
Audit & Risk Committee	Committee responsible for internal controls and oversight of financial management and financial matters generally, and for risk management, across the Group as detailed in its Charter
Board	board of Directors
Board Charter	charter of corporate governance in relation to the Board contained in this document
Chairman	chairman of the Board
Charter	Board Charter or (according to context) the charter of any Committee
CEO	the executive officer or executive officers (whether or not a Director or Directors, and by whatever title known, whether chief executive officer, managing director, or otherwise) with sole or joint responsibility for the strategic and operational management of Whitehaven and the Group
Code of Ethics	the code of ethics and values applicable to Whitehaven contained in this document
Committee	committee of the Board
Constitution	constitution of Whitehaven
CFO	chief financial officer or equivalent officer (whether or not a Director and by whatever title known) of Whitehaven
Company	Whitehaven Coal Limited ACN 124 425 396
Director	director of Whitehaven
Group	Company and its controlled entities



Definitions

Group Operating Policies & Procedures	policy and procedures applicable to the Group from time to time adopted by the Board
Health, Safety, Environment and Community Committee	Committee responsible for overseeing and monitoring health, safety, environment and community matters as detailed in its Charter
Independent	independent within the meaning of paragraph 8 of this document
Governance and Nomination Committee	Committee responsible for nominating candidates to the position of Director on the Board and related matters as detailed in its Charter
Remuneration Committee	Committee responsible for remuneration and related matters as detailed in its Charter
Secretary	secretary of Whitehaven
Security	Equity, debt or other security of any kind of Whitehaven
Shareholder	Holder of shares in Whitehaven
