

Board Charter

1. Introduction

The Board is constituted and empowered pursuant to the Constitution of the Company and the Corporations Act 2001 (Cth).

2. Purpose

The Charter provides a summary of the role of the Board of Directors in the business structure and operations of Tigers Realm Coal. It should be read in conjunction with the Tigers Realm Coal Policies which provide a detailed framework for the governance of the Company.

3. Role of the Board

The Board is responsible for:

- (a) charting the direction, policies, strategies and financial objectives of the Company and ensuring appropriate resources are available;
- (b) monitoring the implementation of those policies and strategies and the achievement of those financial objectives;
- (c) monitoring compliance with control and accountability systems, regulatory requirements and ethical standards;
- (d) ensuring the preparation of accurate financial reports and statements;
- (e) reporting to shareholders and the investment community on the performance and state of the Company; and
- (f) reviewing on a regular and continuing basis:
 - executive succession planning (in particular for the Chief Executive Officer); and
 - executive development activities.

In performing the responsibilities set out above the Board acts at all times:

- (a) in a manner designed to create and build sustainable value for shareholders; and
- (b) in accordance with the duties and obligations imposed upon them by the Company's constitution and by law.

4. Responsibilities of the Board

4.1 Strategy

Providing input to, and approval of, the Company's strategic direction and budgets as developed by management.

Directing, monitoring and assessing the Company's performance against strategic and business plans, to determine if appropriate resources are available.

Approving and monitoring capital management and major capital expenditure, acquisitions and divestments.

4.2 Risk Management/Reporting

Reviewing the principal risks of the Company's business as identified by management.

Reviewing, ratifying and monitoring the Company's systems of internal compliance and control, risk management, code of conduct and legal compliance, to determine the integrity and effectiveness of those systems.

Approving and monitoring internal and external financial and other reporting, including reporting to shareholders, the ASX and other stakeholders.

4.3 Management

Appointment and removal of the Managing Director (or equivalent) and the Company Secretary.

Ratifying the appointment and removal of senior executives (which includes all executives who report directly to the Managing Director).

Determining whether the remuneration and conditions of service of senior executives are appropriate.

Establishing and monitoring executive succession planning.

Delegating authority to the Managing Director.

Setting specific limits of authority for management.

Overseeing the operation of the Services Agreement between the Company and Tigers Realm Minerals Pty Ltd.

4.4 Performance

Approving criteria for assessing performance of senior executives and monitoring and evaluating their performance.

Undertaking an annual performance evaluation of itself that compares the performance of the Board with the requirements of this Charter, sets forth the goals and objectives of the Board for the upcoming year and effecting any amendments to this Charter considered necessary or desirable.

4.5 Corporate governance

Ensuring ethical behaviour and compliance with the Company's own governing documents, including the Company's Code of Conduct.

Evaluating the Company's compliance with corporate governance standards.

4.6 Board Committees

Establishing the following Board Committees:

- (i) Audit, Risk and Compliance Committee; and
- (ii) Nomination and Remuneration Committee.

Adopting Charters setting out the membership, responsibilities and reporting obligations of each Board Committee and evaluating the performance of the Board Committees.

Undertaking an annual performance evaluation of each Board Committee that compares the performance of the Board Committee with the requirements of the relevant Board Committee Charter and effecting any amendments to the relevant Board Committee Charter considered necessary or desirable.

4.7 Other

Performing such other functions as prescribed by law.

5. Composition of the Board

5.1 The Constitution of the Company provides that the number of Directors must at any time be no less than 3. It is intended that the majority of Directors on the Board be independent within two years of ASX listing.

5.2 Independence

A Director will be considered independent from the Company if they have no business or other relationship which could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Examples of such relationships include:

- being a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- being employed, or within the last three years having been employed in an executive capacity by the Company 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.
- being within the last three years 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.
- being 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.

- having a material contractual relationship with the Company or [another group member] other than as a Director of the Company.

Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence, and should be disclosed by Directors to the Board.

The Board shall regularly review the independence of each Director in light of interests disclosed and will disclose any change to ASX, as required by the ASX Listing Rules.

6. Independent Professional Advice for Directors

Directors may obtain independent professional advice, at the Company's cost, in carrying out their responsibilities.

It will be appropriate to obtain independent professional advice where:

- the issue or recommendation in question is one which the Director reasonably considers, after consulting with the Board or the Chairman of the Board, is of a character that makes obtaining independent advice appropriate; and
- the Board or Chairman, following such consultation consents to the obtaining of such advice.

Independent professional advice can be obtained without the involvement of the Company's Management where the Board or the Chairman considers it appropriate to do so.

A suitable qualified expert in the appropriate field should be instructed. Prior to instructing the expert, the Director should advise the Board or Chairman of the fee payable which must be reasonable having regard to the nature of the advice sought and the fees charged by comparable experts.

All instructions to the expert must be in writing specifying the party instructing and the capacity in which that party is acting and the party to whom the advice is to be addressed.

Except in circumstances of competing interests between the Directors or the Director and the Company, a copy of the advice, the letter of instruction, and all materials which accompanied the letter must be provided to the Board.

7. Tenure of Directors

All Directors are expected to continue as Directors only for so long as they have the confidence of their fellow Board members and the confidence of the Company's shareholders.

To the extent that there is any inconsistency between this Charter and the Company's Constitution, the Constitution will prevail.

Adopted / Approved by the Board of Directors on the 23rd of May 2011