

BOARD CHARTER

PURPOSE

This Charter sets out the roles and responsibilities of the Board of Directors (“the Board”) of Leigh Creek Energy Limited (“the Company”). The role of the Board is to oversee the Company and to promote and protect the interests of the Company.

RESPONSIBILITIES

The Board is constituted by the Constitution, under which it is vested with the power to manage the Company. The Board may from time to time, delegate some of its responsibilities to Committees of the Board or to its senior executives. The Board retains ultimate responsibility for the management of the Company.

The Board’s key responsibilities are to:

- Determine the Company’s strategic and financial objectives to be implemented by management. The Board may do this by reviewing, testing, challenging and providing oversight and input into the management recommended strategic plans for the Company;
- Optimise Company performance and shareholder value within a framework of appropriate risk assessment and management; and
- Appoint and, when necessary, replace, the Managing Director (or Chief Executive Officer), and regularly evaluate their performance.

The full range of the Board’s responsibilities, in addition to the matters required by law, includes the following:

- Monitoring and assessing management’s development and implementation of strategies, business plans, budgets and objectives, corporate policies, and ensuring sufficient resources are available to management for those purposes;
 - Protecting the Company’s financial position and its ability to meet its debts and other obligations as they fall due;
 - Approving business plans and budgets and monitoring performance against them;
 - Approving and monitoring the progress of major capital expenditure, capital management and material acquisitions and divestments;
 - Delegating an appropriate level of authority to management and approving any additional changes to those delegations;
 - Approving and monitoring financial and other reporting;
 - Ensuring that the Company has adequate reporting systems and internal controls (both financial and operational), codes of conduct and legal compliance systems and monitoring them;
 - Ensuring that systems are in place to facilitate the effective management of the principal risks to the Company;
 - Appointing and removing executive management and other officers (such as the Company Secretary), determining their terms and conditions of engagements including remuneration framework;
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- Review of performance and remuneration of executive directors, the CEO and the Company Secretary;
- Overseeing the continuous disclosure process to ensure timely and balanced disclosures and ensuring that the Company has an effective process for communicating with shareholders, other stakeholders and the public;
- Assessing the independence of Directors (having regard to the ASX Corporate Governance Principles and Recommendations with respect to independence);
- Monitoring the effectiveness of governance practices generally;
- Approving the issue of shares or other securities in the Company.

CHAIRMAN

The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function.

In addition to their role as a director, the role of the Chairman includes:

- In conjunction with the Company Secretary, setting the agenda for Board meetings;
- presiding over Board meetings and company meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company;
- ensuring minutes properly reflect Board decisions;
- facilitating constructive and respectful communications between Directors and between the Board and management;
- arranging regular evaluation of the performance of the Board as a whole and of individual directors.

Should the Chairman be absent from a meeting, the members of the Board present shall appoint a Chairman for that particular meeting.

COMPANY SECRETARY

The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for carrying out the administrative and statutory requirements of the Board by:

- Coordinating the development of the Board and committee agendas in a timely and effective manner for review and approval by the Chairman;
 - ensuring, in conjunction with the CEO, that Board papers are developed and distributed in a timely and effective manner;
 - coordinating, organising and attending meetings of the Board, committees and shareholders, ensuring that correct procedures are followed;
 - ensuring that the business at board and committee and members meetings is accurately captured in the minutes;
 - in conjunction with the CEO and other senior executives, carrying out the instructions of the Board and giving practical effect to the Board's decisions;
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- advising the Board and its committees on governance matters, such as the Company's corporate governance principles and their implementation, including but not limited to matters of continuous disclosure, risk management, financial reporting, compliance, shareholder rights, the role and structure of the Board, and the role of management;
 - advising the Board on the establishment of Board committees, charters, composition and responsibilities;
 - monitoring that Board and committee policy and procedures are followed; and
 - helping to organise and facilitate the induction and professional development of directors.

BOARD COMMITTEES

The Board has established an Audit and Risk committee which comprises Directors with the necessary skills and experience and independence required to perform the role of the Committee. Other Directors may be invited to attend Committee meetings and senior executives, advisors and other employees may also attend by invitation. Following each committee the Board is provided with a verbal report on meeting proceedings as well as the minutes of that meeting. Copies of Committee papers are made available to the Board.

The Board may from time to time establish committees to assist it with carrying out its responsibilities. The Board approves charters setting out the composition and responsibilities of such committees and such other matters as the Board may consider appropriate.

MATTERS DELEGATED TO MANAGEMENT

The Board has delegated to the Chief Executive Officer (or Managing Director) and the Senior Executives authority over the day-to-day management of the Company and its operations. This delegation of authority includes responsibility, and accountability to the Board, for:

- Recommend the Company's corporate strategy to the Board for approval and once it is approved, implement the corporate strategy;
 - Develop business plans and budgets for consideration by the Board and once approved implement these plans and budgets;
 - Develop, implement and manage the Company's risk management and internal controls framework;
 - Develop, implement and update the Company's policies, procedures and systems;
 - Assume day to day responsibility for the Company's conformance within relevant laws and regulations and its compliance framework;
 - Provide accurate, timely and clear information to the Board to enable the Board to effectively perform its responsibilities; and
 - Operate the business within the parameters set by the Board.
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BOARD COMPOSITION

The Board shall have at least 3, but no more than 12 members. Appointments to the Board are based on merit and are made with a view to maintain an appropriate balance of skills and experience on the Board. Board composition is reviewed periodically by the Board to ensure that the Non-Executive Directors between them bring the range of skills, knowledge and experience necessary to direct the Company going forward.

All directors shall submit themselves for election or re-election in accordance with the Constitution.

New directors are given a thorough briefing by the Chairman and/or Company Secretary of key Board issues and provided with appropriate background documentation. These include: The Company's financial, strategic, operational and risk management position;

- Their rights, duties and responsibilities; and
- The role of the Board and the Board committees.

MEETINGS

Board meetings will be conducted in accordance with the constitution. The Board shall meet regularly, in accordance with a schedule agreed at the beginning of each year and as the circumstances of the Company require. Any director can convene a Board meeting.

Any action permitted to be taken at any meeting of the Board may be taken without a meeting, if a written consent is signed in accordance with the Constitution.

Board and Committee papers are provided to Directors sufficiently far in advance of scheduled meetings to permit adequate preparation.

Board agendas are settled by the Chairman in conjunction with the CEO and Company Secretary.

Board Meetings may be held by the Directors communicating with any other by any technological means by which they are able simultaneously to hear each other and to participate in discussion.

The minutes of Board meetings will be prepared by the Company Secretary, approved by the Chairman in draft and circulated to all directors as soon as practicable after each meeting. Minutes of meetings of the Board shall be confirmed at the next meeting of the Board and then signed by the Chairman.

BOARD PERFORMANCE

The Board shall conduct a review of its effectiveness, against this charter, on an annual basis, which shall involve: evaluating the performance of each Director against appropriate measures (including if warranted by considering the use of external advisers to conduct this performance review);

- for the non-executive Directors, evaluating the performance of the Chairman;
 - comparing its performance with the requirements of its Charter;
 - setting out its future goals and objectives; and
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- reviewing and recommending any changes to its Charter deemed necessary or desirable.

The performance evaluation shall be conducted in such manner as the Board deems appropriate.

The review of the Board's performance shall also address the ability for directors to access continuing education to update and enhance their skills and knowledge as they relate to the Company's strategy and objectives.

**POLICY
AMENDMENT**

This Policy cannot be amended without approval of the LCK Board. It will be reviewed from time to time to ensure that it remains effective and meets best practice standards and the needs of LCK.

APPROVED

April 2018
