

DART ENERGY LIMITED

BOARD CHARTER

1. Overview

This Board Charter (the "**Charter**") sets out the principles under which the board of directors (the "**Board**") of Dart Energy Limited (the "**Company**") will operate, describes the functions of the Board and prescribes the manner in which the Board may delegate its functions to management. The Charter is intended to create an appropriate, practical and consistent framework of control for the Company (and all of its related bodies corporate) (together, the "**Group**") and so, maximise compliance with statutory and best practice requirements by the Board and management.

The Company endorses the ASX Corporate Governance Council's Principles and Recommendations ("**ASX Principles**"). The Company's Annual Report shall include a corporate governance section which will contain the content required by law and an explanation of any departures from the Best Practice Recommendations contained in the ASX Principles.

2. The Role of the Board

The role of the Board is to provide strategic guidance to the Group, effective oversight of management and a sound base for a culture of good corporate governance within the Group.

The Board will always retain ultimate authority over the management and staff of the Group.

In performing its role, the Board should act, at all times:

- (a) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, all of its shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and continue to build sustainable value for shareholders;

- (c) in accordance with the duties and obligations imposed upon them by the Company's constitution and applicable law; and
- (d) with integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company's corporate governance policies.

3. Responsibilities of the Board

The responsibilities of the Board include:

- (a) input into and final approval of management's development of corporate strategy, goals and performance objectives;
- (b) liaising with the Company's auditors and the Audit Committee;
- (c) reviewing and ratifying systems of risk management, accountability, internal compliance and control, codes of conduct and legal compliance;
- (d) the appointment and removal of the Chief Executive Officer and Managing Director, the Chief Financial Officer and the Company Secretary;
- (e) ratifying the terms of appointment of senior executives of the Company, including in relation to the terms of remuneration;
- (f) monitoring senior management's performance and their implementation of strategies and budgets and ensuring appropriate resources are available;
- (g) approving the annual budget;
- (h) approving and monitoring the progress of major capital expenditure, capital management and acquisitions and disposals;
- (i) approving and monitoring financial and other reporting;
- (j) overall corporate governance of the Group, including conducting regular reviews of the balance of responsibilities within the Group to ensure the division of functions remains appropriate to the needs of the Group; and
- (k) deciding on any matter which is in excess of the discretions or limits that have been delegated from time to time to senior management.

In performing its responsibilities and functions, the Board may delegate any of its powers to a Board committee or to other persons in accordance with the Company's constitution.

4. Board Composition and Delegation of Authority

Under the Company's constitution, the minimum number of directors is three (3) and the maximum number is nine (9), unless the Company in general meeting resolves otherwise. At the time of publication of this Charter, the directors believe that a Board comprised of seven (7) directors is appropriate in size and competence to properly understand and deal with the current and imminent issues and the complexity of the business and operations of the Group. The Board is to comprise non-executive directors and executive directors, one of whom will be the Chief Executive Officer and Managing Director.

The Chairman of the Board is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning. The Chairman shall facilitate the effective contribution of all directors and promote constructive and respectful relations between the directors and between the Board and management. The Chairman and the Chief Executive Officer and Managing Director shall not be the same individual.

If and when the Board determines it is appropriate or necessary, the Board may establish committees to assist in carrying out various of the responsibilities of the Board. The committees will act by examining the relevant issues and making recommendations to the Board. Each such committee established will have a formal charter setting out its objectives, scope and manner of administration. The Board may also determine, from time to time, to establish ad hoc committees to which responsibilities will be delegated to examine specific issues.

The Board (and, where relevant, any committees established by the Board) has delegated the carriage of the day to day operation and management of the Group's business to the Chief Executive Officer and Managing Director who is authorised, in turn, to delegate such of the powers conferred on him as he deems appropriate to members of the senior management group. The Board will approve and monitor all such delegations of authority from the Chief Executive Officer and Managing Director to senior management. The delegation of powers by the Chief Executive Officer and Managing Director is subject to the limits and restrictions set out in the Delegation of Authority Policy.

5. Independent Directors

The Board shall comprise at least two independent directors and the Board will periodically review whether to increase the number of independent directors having regard to the business needs of the Company and the Recommendation 2.1 of the ASX Principles (a majority of the Board should be independent directors).

Independent directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions at the Board table free of concern about their position or the position of any third party. The Board does not believe it is possible to draft a list of criteria which are appropriate to characterise, in all circumstances, whether a non-

executive director is independent. It is the approach and attitude of each non-executive director which is critical and this must be considered in relation to each director while taking into account all other relevant factors, which may include whether the non-executive director:

- (a) is a substantial shareholder of the Company (as defined in the Corporations Act) or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) 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 three years between ceasing such employment and serving on the board;
- (c) has within the last three 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;
- (d) 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; and
- (e) has a material contractual relationship with the Company or another Group member other than as a director.

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

The above guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each director is expected to advise the Chairman immediately if he/she believes they may no longer be independent. Should the Chairman or any other director have any concern about the independence of a director, they must immediately raise the issue with that director and, if the issue is not resolved, with the Board. Should the Chairman have any concern about his/her own independence, he/she must immediately raise the issue with the Board.

The Board should regularly assess whether each non-executive director is independent. Each non-executive director should provide to the Board all information that may be relevant to this assessment.

Where the independent status of a director is lost, this is to be immediately disclosed to the market.

6. Board Committees

The Board has established three committees to assist it in discharging its responsibilities. They are:

- (a) the Audit Committee;
- (b) the Risk Committee; and
- (c) the Nomination and Remuneration Committee.

The Board may also delegate specific responsibilities to ad hoc committees from time to time. Each committee has documented and approved a charter setting out the composition of the committee and the powers delegated to it by the Board.

The committees are composed of directors with the necessary skills and experience. With the exception of express delegations contained in their respective charters, recommendations of the committees are to be referred to the Board for approval.

7. Conflicts of Interest

As is noted above, each director has an obligation, at Board meetings and concerning the Company generally, to reach decisions which he or she believes to be in the best interests of the Company as a whole, free of any actual or possible conflict of interest.

If the Board determines that a director might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interest of any associated person, or his or her duties to any other company, on one hand, and the interests of the Company or his or her duties to the Company, on the other hand, the Board will require that the director:

- (a) fully and frankly inform the Board of Directors about the circumstances giving rise to the conflict; and
- (b) subject to resolving otherwise, abstain from voting on any motion relating to the matter and absenting him or herself from all Board deliberations relating to the matter including receipt of Board papers pertaining to the matter.

If the Board resolves to permit a director to have any involvement in a matter involving possible circumstances of conflicting interest, the Board must minute the full details of the basis of the determination and the nature of the conflict and must formally resolve to so permit the relevant director.

If a director believes he or she has or may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chairman.

8. Meetings

Where possible and time permits, the Board papers should be provided to directors at least four (4) clear days prior to the relevant meeting of the Board. The Board papers will include an agenda, operations report, finance report and secretarial report.

Each Board meeting will allow for informal discussions between Board members and the Chairman of the meeting should ensure the availability and, if necessary, the attendance at the relevant meeting of any member of senior management responsible for a matter included as an agenda item at the relevant meeting.

The non-executive directors of the Company shall meet at least once year without management present.

Urgent matters that cannot wait until the next Board meeting can be dealt with by a circulating resolution, in accordance with the Company's Constitution. A circulating resolution should be approved by the Chairman before being circulated and may be preceded by a telephone meeting if practical. A circulating resolution must be signed by all the directors approving the resolution and will be entered in the Board minute book.

9. Communications with Management

Any director may communicate directly with employees of the Group but such communications are to be made having regard to the efficient operation of the Group and the need to preserve and maintain an effective chain of command and the confidentiality of the deliberations of the Board. All communications of a material or sensitive nature must be facilitated by the Chairman.

10. Delegated Authority

The Board has defined the nature and levels of permissible delegation of its various authorities and responsibilities, which are set out in the Delegation of Authority Policy.

These authorised delegations of responsibility and duties are primarily concerned with the powers to bind or create an obligation on the Company.

11. Independent Advice

A director of the Company is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures set out below.

- (a) A director must seek the prior approval of the Chairman.

- (b) In seeking the prior approval of the Chairman, the director must provide the chairman with details of the nature of the professional advice sought, the likely cost of seeking such independent professional advice and the details of the independent adviser he or she proposes to instruct.
- (c) The Chairman may prescribe a reasonable limit on the amount that the Company will contribute towards the cost of obtaining the advice.
- (d) The Chairman must approve of the independent adviser nominated by the director which approval should not be unreasonably withheld.
- (e) All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and the director in his or her personal capacity.
- (f) Where appropriate the Chairman may determine that any advice received by an individual director will be circulated to the remainder of the Board.

12. Board Performance

The Board believes that regular assessment of the Board's effectiveness and the contribution of individual directors is essential to improve the governance and guidance of the Company.

13. Corporate Governance Website

As part of an effective communications strategy, the Company will maintain and keep current a Corporate Governance section on its website where key charters (including this Charter) and policies will be available for download.

14. Review of this Charter

- (a) The Chairman of the Company will be the arbiter for interpretation and/or clarification of this Charter. Omissions should also be brought to the attention of the Chairman.
- (b) This Charter is subject to amendment by the Board. The Board intends to review its terms annually.

Adopted by the Board on 27 June 2011