

BOARD CHARTER AND THE ROLE OF MANAGEMENT

1. Policy Introduction

Where practicable it is the intention of Sundance Energy Australia Limited (“Sundance”) to meet the corporate best practice governance requirements contained in the ASX Corporate Governance Principles and Recommendations 3rd edition, with a framework designed to:

- Enable the Board to provide strategic guidance for Sundance and the effective oversight of management;
- Clarify the respective roles and responsibilities of Board members and senior executives in order to facilitate Board and senior executive accountability to both Sundance and its shareholders; and,
- Ensure a balance of authority so that no single individual has unfettered powers.

2. Role of the Board and its Membership

The Board is responsible for corporate governance of Sundance. It oversees the business and affairs, establishes the strategies and financial objectives to be implemented by management and monitors standards of performance. Those responsibilities and the powers reserved to it are set out below in detail. The membership of the Board will be directed by the following requirements:

- The constitution of Sundance specifies that there must be a minimum of three directors and a maximum of ten. The Board may determine the size of the Board within those limits;
- It is the intention of the Board that its membership consists of a majority of independent directors who satisfy the criteria recommended by the ASX. and,
- The Chairman of the Board will be an independent director who satisfies the criteria for independence recommended by the ASX. The Board will, collectively, have the appropriate level of personal qualities, skills, experience, and time commitment to properly fulfil its responsibilities or have ready access to such skills where they are not available.

The Board will establish committees to assist it in carrying out its responsibilities. The Board will adopt charters setting out the membership, administration, purpose, responsibilities and functions appropriate to each committee.

Currently the Committees are an Audit and Risk Management Committee; a Remuneration and Nominations Committee; and a Reserves Committee.

2.1. Role of the Chairman

In addition to his or her role as a director, the role of the Chairman includes:

- Ensuring the Board provides leadership and vision to Sundance;
- Preparing Board meetings agendas in conjunction with the Managing Director and in consultation with the Non-Executive Directors and Company Secretary;
- Leading the Board, including presiding over Board and other company meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company;
- Ensuring Board minutes properly reflect Board debates and decisions;
- Developing an ongoing and harmonious relationship with the Managing Director, such that the Chairman is kept fully informed of matters of interest to the Board;
- Acting as a mentor for the Managing Director;
- Facilitating the effective contribution of directors including a regular process of Board and director performance evaluation;
- Promoting constructive and respectful relations between Board members and between Board and senior executives;
- Together with the Non-Executive Directors, facilitating the assessment of the Managing Director's performance; and
- Guiding the ongoing effectiveness and development of the Board and individual directors.

2.2 Role of the Managing Director

The Managing Director is responsible to the Board for the overall management and performance of Sundance. The Managing Director is to manage the Company in accordance with the strategy, plans, practices and policies approved by the Board to achieve the agreed objectives. In particular, the Managing Director's responsibilities include:

- Being the conduit through which the Board is provided sufficient and relevant information to act effectively;
- Providing leadership to Sundance and acting as the Company's interface with its operating environment and the general business and investment community;
- Recommending corporate strategy to the Board for approval and once it is approved, implement the corporate strategy;
- Identifying and recommending new initiatives for consideration;
- Ensuring policies are complied with;
- Referring all matters outside of the Managing Director's delegation to the Board for approval; and,
- Other responsibilities as delegated by the Board from time to time.

All directors will have access to the Managing Director.

2.3 Role of Individual Directors

The role of directors includes:

- Contributing to Board activities to the best of their abilities and with the highest level of skill and care possible;
- Discharging their duties in good faith and honestly in the best interests of Sundance's shareholders;
- Using the powers of office for proper purpose, in the best interests of the Company as a whole; Acting with the required care and diligence, demonstrating commercial reasonableness in their decisions;
- Avoiding conflicts of interest, not allowing personal interests, or the interests of any associated person, to conflict with the interests of Sundance;
- Not making improper use of information gained through their position of director;
- Making reasonable enquiries to ensure that Sundance is operating effectively, efficiently and legally toward achieving its objectives;
- Undertaking diligent analysis of all proposals placed before the Board;
- Serving on Board committees as required;
- Participating in the appointment of new directors and Board/directors' performance evaluation; and,
- Acting fully in accordance with the duties and obligations imposed on them and the Board by the Company's constitution and the law.

2.4 Role of the Company Secretary

The Company Secretary acts as Secretary to the Board, and whenever practicable shall attend all meetings of the Board.

The Company Secretary is accountable to the Board, and reports directly to the Chairman. However, all directors will have access to the Company Secretary as required.

Specific duties include:

- Providing assistance to the Chairman in the development of the agenda in a timely and effective manner;
- In liaison with the Chairman, coordinating, organizing and attending meetings of the Board and shareholders, and ensuring that the correct procedures are followed;
- Assisting in the drafting and the maintaining of the agendas and minutes of the Board, Committees and Company meetings;
- Working with the Chairman, Managing Director and Chief Financial Officer to ensure that governance practices meet all ASX requirements, including all financial and other regular reporting requirements.

3. Responsibilities of the Board

The full range of the Board's responsibilities is determined both by law and the requirements of the Company, including the following:

Performance:

- Considering the long term viability of Sundance and opportunities for enhancing its financial position for the benefit of shareholders;
- Providing oversight and final approval of the Company's corporate strategy; Monitoring senior executives' implementation of the Company's corporate strategy; Approving and monitoring the company's business plans, budget and corporate policies;
- Monitoring and assessing performance of the Company and the Board itself; Overseeing the process of strategic management of current corporate projects;
- Overseeing the risk management framework and monitoring of material business risks; Approving risk management policies and monitoring compliance with those policies; and
- Monitoring developments in the oil and gas industry and the operating environment.

Compliance / Legal conformance:

- Understanding the financial position of Sundance and considering policies to protect that financial position;
- Monitoring and requiring legal and regulatory compliance;
- Reviewing and approving annual accounts, annual reports and other public documents and sensitive reports;
- Monitoring and the approval of financial and other reporting; and
- Ensuring an effective system of internal controls exists and is functioning as required.

Overall Operations:

- Establishing Sundance's vision, mission, values and ethical standards as reflected in a Code of Conduct;
- Monitoring compliance with ethical standards;
- Delegating an appropriate level of authority to management and approving any additional changes to those delegations;
- Ensuring appropriate resources are available to senior executives;
- Demonstrating corporate leadership;

- approving the Managing Director's appointment, succession, performance assessment, remuneration and dismissal if necessary;
- Ratifying the appointment and, the removal of senior executives;
- Overseeing aspects of the employment of senior executives including remuneration, performance and succession planning;
- Approving the appointment of auditors;
- Approving the appointment of directors;
- Appointing the members of Board committees;
- Ensuring effective communication to shareholders, staff and other stakeholders;
- Ensuring that a full suite of risk management procedures are in place; and
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.

Matters which are specifically reserved for the Board or its committees include the following:

- The issue of securities, subject to the requirements of the law;
- Appointment of a Chairman;
- Appointment and removal of the Managing Director and Company Secretary;
- Appointment of directors to fill a casual vacancy or as additional directors; Establishment of Board committees, their membership and authority; Approval of dividends;
- ASX corporate governance principles and policies;
- Approval of major capital expenditure, capital management, and acquisitions and divestitures (Article 14.1); and
- Any other specific matter nominated by the Board from time to time.

4. The Role of Management

The senior executives' role and responsibility is to:

- Implement the approved corporate strategy;
- Assume day to day responsibility for the Company's conformance with relevant laws and regulations and its compliance framework;
- Achieve the performance targets agreed by the Board;
- Develop, implement and manage risk management and internal control frameworks;
- Develop, implement and update policies and procedures;
- Be alert to relevant trends in the oil and gas industry and the Company's operating environment; Provide sufficient, relevant and timely information to the Board to enable the Board to effectively discharge its responsibilities; and,

- Manage human, physical and financial resources to achieve the Company's objectives – in other words to run the day-to-day business in an effective way.

5. Delegation of Authority to Management

The Board has delegated responsibility for the conduct of the company's businesses to the Managing Director, but remains responsible for overseeing the performance of management.

The Board has established delegated limits of authority, which define the matters that are delegated to management and those which require Board approval.

The policies and delegated limits of authority are reviewed on a regular basis, and at least annually.

6. Assistance to Board to Fulfil Roles and Responsibilities

Board members will be assisted by the Company to fulfil their roles and responsibilities in ways which include:

- The provision of materials for new directors in order to gain a full understanding of Sundance's financial, strategic, operational and risk position, their rights, duties and responsibilities, the roles and responsibility of senior management and the role of Board committees;
- The offer by the Company of a Deed of Access, Insurance and Indemnity; and
- Professional development opportunities to update and enhance their skills and knowledge. This includes education concerning key developments in Sundance and in the industry and environment within which the Company operates.

7. Conduct of Board Meetings

Board meetings will be conducted in accordance with the constitution. A Chairman will be appointed in accordance with the constitution.

The constitution provides that the quorum for a meeting may be fixed by the Directors and unless so fixed, is three Directors present. The quorum must be present at all times during the meeting.

Board meetings will be held as required to meet the needs of the business at venues, dates and times agreed, where practical, in advance. This will include full face to face meetings as deemed to be necessary.

In the ordinary course, Board and committee papers will be provided to directors at least three business days before the meeting, unless the meeting has been called urgently.

The agenda for each Board meeting will be approved by the Chairman of the meeting in consultation with the Managing Director and the Non-Executive Directors.

Board and committee papers will contain sufficient and relevant information to enable directors to efficiently discharge their responsibilities and to make informed decisions on each of the agenda items for consideration.

The minutes of Board meetings will be prepared in a timely way and distributed by the Chairman or Company Secretary to the entire Board for comment and approval, all to occur within a maximum of two weeks from the date of the Meeting so minuted.

8. Review

The Board will review this charter annually.

Approved:

M D Hannell
Chairman

04 March 2016