



LIQUEFIED NATURAL GAS LIMITED

Charter of the Audit Committee

August 2018

Liquefied Natural Gas Limited

ACN 101 676 779

Charter of the Audit Committee

The Board of Directors (the "Board") of Liquefied Natural Gas Limited ("LNGL" or the "Company") has established the Audit Committee of the Board (the "Committee") with the following purpose, composition, duties, authority, and responsibilities.

1. PURPOSE:

The Committee assists the Board in fulfilling its responsibility for monitoring:

- (a) The integrity of the accounting, auditing, financial reporting practices, systems of internal controls, and financial statements and reports of the Company,
- (b) The adequacy and effectiveness of the Company's risk management system and processes,
- (c) The adequacy, effectiveness, and performance of the Company's global internal audit function (as applicable), including their qualifications and independence,
- (d) The compliance by the Company with legal and regulatory requirements, and
- (e) The qualifications, independence and performance of the Company's independent auditor employed by the Company for the purpose of preparing or issuing an audit report or related work.

The Committee has sole authority from the Board for the appointment, compensation, and oversight of the Company's independent auditors, including the approval of any significant non-audit relationship.

The Committee shall prepare the reports required by applicable exchange rules and regulatory bodies (e.g., ASIC, SEC, ASX, NYSE, NASDAQ, etc.) to be included in Company reports (e.g., proxy statement).

The Committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of the Company's financial statements. It is not the duty of the Committee to conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with governing accounting principles and applicable rules and regulations. These are the responsibilities of Management and the independent auditors.

2. COMPOSITION AND QUALIFICATIONS:

Committee members are appointed and removed by the Board.

The Committee shall be comprised of at least three non-executive directors, chaired by an independent director that is not the Chairperson of the Board of Directors. All Committee members must be independent of management and the Company, and shall satisfy the independence requirements as defined by applicable law and regulation.

Each member of the Committee shall be financially literate. At least one member of the Committee must satisfy the requirements of applicable exchanges and regulatory bodies (e.g., ASX, NYSE, NASDAQ, and ASIC or SEC, respectively) regarding “financial expertise.”

3. GOALS AND RESPONSIBILITIES:

To carry out its responsibilities, the Committee shall:

- (a) Appoint, compensate, and oversee the work of the independent auditors (including resolving disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- (b) Pre-approve audit and non-audit services to be provided to the Company by the independent auditors. In this regard, the Committee shall have the sole authority to approve the hiring and firing of the independent auditors, and all fees and terms of audit and non-audit engagements with the independent auditors, in each case as may be permissible and compatible with the auditors’ independence. The Committee shall also review and approve disclosures with respect to non-audit services.
- (c) Review and provide guidance with respect to the external audit process and the Company’s relationship with its independent auditors by:
 - (i) Reviewing the independent auditors’ proposed audit scope, approach and independence;
 - (ii) Obtaining on a periodic basis a statement from the independent auditors regarding relationships and services with the Company which may impact independence and presenting this statement to the Board, and to the extent there are relationships, monitoring and investigating them;
 - (iii) Ensuring that the independent auditors submit to the Committee on an annual basis a written statement as required by law or regulation (e.g., Independence Standards Board Standards No. 1) delineating all relationships and services that may impact the objectivity and independence of the independent auditors; and
 - (iv) Reviewing reports submitted to the Committee by the independent auditors in accordance with applicable law or regulation (e.g., ASIC, SEC, ASX, NYSE, NASDAQ, etc.).
- (d) Discuss the annual audited financial statements with management and the independent auditor and discuss with the independent auditor the matters required to be discussed by relevant auditing standards and recommend to the Board whether, based on such reviews and discussions, the audited financial statements should be included in exchange filings required by law or regulation.
- (e) Review with the independent auditor outcomes of the audit, including their conclusions, significant findings, and recommendations, and related management responses and any problems or difficulties with management’s response.
- (f) Discuss with management and the independent auditor the unaudited quarterly and (as applicable) half-year financial statements and reports, and any matters required to be discussed by applicable auditing and review standards.

- (g) Discuss with management, internal audit (if applicable), and the independent auditor prior to earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. This responsibility may be delegated to the Committee Chairperson. Committee members may participate in such discussions at their discretion. Such earnings discussion shall be reported to the Board prior to the release through public filing or other public disclosure.
- (h) The Committee shall coordinate the Board's oversight of the Company's significant internal control processes, including the process of preparing the interim and annual financial results; disclosure controls and procedures; internal audit function (as applicable); and compliance with code of business conduct and ethics policies.
- (i) Review legal and regulatory matters including business ethics issues that may have a material effect on the Company's financial statements and related Company compliance policies and programs.
- (j) Discuss with management, internal audit (if applicable), and the independent auditor the Company's policies with respect to assessing and managing risk, including the risk of fraud at the Company. Discuss the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled. The Committee shall also discuss the Company's major financial risk exposures and steps taken by management to monitor and control such exposures.
- (k) Review and approve the Company's policies and procedures for reviewing and approving related party transactions and, to the extent no other policy or procedure applies to a particular proposed related party transaction, the Committee shall have the authority to review and approve such transaction.
- (l) Assess the performance of the internal audit function (as applicable), at least annually.
- (m) Prepare the Committee report required by law or regulation (ASIC, SEC, ASX, NYSE, NASDAQ, etc.) to be included in Company reports (e.g., proxy statement).
- (n) Meet separately with internal audit (if applicable) and the Independent auditor after each regular Committee meeting, and periodically, with the Company's management.
- (o) Review and evaluate the succession planning of the Company's senior financial management and policies for the Company's hiring of employees or former employees of the independent auditor. Make recommendations to the Governance and Nominating Committee and/or the Board regarding findings on such matters.
- (p) As appropriate, obtain advice and assistance of outside legal counsel, accounting resources or other advisors.
- (q) Establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters including the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

4. STRUCTURE AND OPERATIONS:

The Committee will meet at such times as it determines to be necessary or appropriate, but no fewer than four times per year. The Committee will report to the Board any actions taken.

A representative of management will function as Committee support and be a liaison with management. The role of the management liaison will be to:

- (a) Work with Committee Chairperson and the CEO to establish an agenda for each meeting.
- (b) Prepare briefing and pre-meeting reading materials for Committee members.
- (c) Arrange for appropriate persons to present agenda items at Committee meetings or to be present for discussions with the Committee.

5. ADMINISTRATION:

- (a) Audit Committee independence – The Committee shall make inquiry of each member of the Committee to confirm compliance with independence requirements as defined by relevant laws and regulations to the extent applicable to the Company.
- (b) Outside consultants - The Committee shall retain independent counsel or consultants if necessary to carry out its responsibilities. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors.
- (c) Administrative expenses – The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate to carry out its duties.
- (d) Report to Board of Directors - The Committee shall report, no less frequently than annually or more frequently as circumstances require, to the Board concerning the Committee's actions since the previous report and the Committee's agenda for the ensuing year, which report shall contain recommendations as appropriate.
- (e) Annual self-evaluation – Assess the effectiveness of the Committee, including the adequacy of the Committee's charter, at least annually and recommend any proposed changes to the Board for approval.
- (f) Training and development - Committee members have access to training and development to assist them with achieving their goals and responsibilities summarized in section 3.

6. OTHER RESPONSIBILITIES:

- (a) Review of other outside reports - The Committee shall review reports received from regulators and other legal and regulatory matters brought to the attention of the Committee and that may have a material effect on the financial statements or related company compliance policies.
- (b) Other investigations - The Committee shall conduct or authorize investigations into any matter brought to the Committee's attention within the scope of its duties, including ethics hotline reports, and anything as may be referred to the Committee by the Board.

- (c) Other matters - The Committee shall consider all matters in relation to the financial affairs of the Company as the Committee may, in its discretion, determine to be advisable.
- (d) Additional duties – The Committee shall have such other duties as may be delegated from time-to-time by the Board.
- (e) Posting requirement - The Company shall make this Charter available on or through the Company’s website as required by applicable rules and regulations.
- (f) Notification to NYSE – If NYSE is an applicable exchange, the Committee shall recommend that the Company’s CEO promptly notify the NYSE in writing after it becomes aware of any non-compliance with Sections 303A.06 or 303A.07 of the NYSE Manual.

7. CONFLICT OF INTEREST:

To the extent a member has a conflict of interest in relation to any matter being considered by the Committee, the conflicted member must disclose the conflict of interest and abstain from participating in any recommendations or decisions by the Committee on the relevant matter. Where a member has a conflict of interest the Chairman may, or in circumstances where the Chairman is the only remaining member must, appoint an alternate member, or members, which alternate member or members will be bound by the terms of this Charter.