

**PHOENIX COAL INC.
POSITION DESCRIPTION FOR
THE CHAIRMAN OF THE BOARD OF DIRECTORS**

I. Purpose

The Chairman of the Board of Directors shall be a director who is designated by the full Board of Directors to act as the leader of the Board of Directors.

II. Who may be Chairman

The Chairman will be selected amongst the directors of the Company who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.

The Chairman will be selected annually at the first meeting of the Board of Directors following the annual general meeting of shareholders.

III. Responsibilities

The following are the responsibilities of the Chairman. The Chairman may delegate or share, where appropriate, certain of these responsibilities with the Corporate Governance, Nominating and Compensation Committee and/or any other independent committee of the Board:

- ◆ Chairing all meetings of the Board of Directors in a manner that promotes meaningful discussion.
- ◆ Providing leadership to the Board to enhance the Board's effectiveness, including:
 - Ensuring that the responsibilities of the Board are well understood by both management and the board;
 - Ensuring that the Board works as a cohesive team with open communication;
 - Ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
 - Together with the Corporate Governance, Nominating and Compensation Committee, ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and

- Together with the Corporate Governance, Nominating and Compensation Committee, ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the board and directors is assessed at least annually.
- ◆ Managing the Board, including:
 - Preparing the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - Adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - Ensuring meetings are appropriate in terms of frequency, length and content;
 - Ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
 - Ensuring that a succession planning process is in place to appoint senior members of management when necessary; and
 - Working with the Corporate Governance, Nominating and Compensation Committee and approaching potential candidates once potential candidates are identified, to explore their interest in joining the board.
- ◆ Acting as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Corporate Governance, Nominating and Compensation Committee to ensure that the Company is building a healthy governance culture.
- ◆ At the request of the Board, representing the Company to external groups such as shareholders and other stakeholders, including community groups and governments.