



**CHARTER  
OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

**Adopted by the Board of Directors on August 16, 2018  
Effective as of November 9, 2018**

**I. PURPOSE AND AUTHORITY**

The Audit Committee (the “Committee”) of Contura Energy, Inc. (the “Company”) is appointed by the Board of Directors (the “Board”) to assist the Board in (1) monitoring the quality, reliability and integrity of the accounting policies and financial statements of the Company; (2) overseeing the Company’s compliance with legal, contractual and regulatory requirements; (3) reviewing the independence, qualifications and performance of the Company’s internal and external auditors, (4) overseeing the performance of the Company’s internal audit function and independent auditors and (5) if required, preparing an audit committee report which may be required by the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

**II. COMMITTEE RESOURCES**

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and to obtain any information it requests from Company employees and outside advisers, which persons will be directed to cooperate and comply with the Committee’s requests. The Committee shall have the authority to retain special legal, accounting or other advisers to advise the Committee, including without limitation the sole authority to determine the fees payable and other terms of retention of the independent auditor for the purpose of rendering or issuing the annual audit reports and any independent legal, accounting or other advisers retained to advise the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for (i) compensation to the Company’s independent auditors for the purpose of preparing or issuing audit reports or performing other work (including other audit, review or attest services for the Company), (ii) compensation to any independent legal, accounting or other advisers employed by the Committee and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to meet with any members of, or advisers to, the Committee.

**III. COMMITTEE COMPOSITION**

The Committee shall be comprised of three or more members of the Board. The members of the Committee shall be deemed by the Board to be independent and meet all applicable requirements then in effect of any stock exchange or national securities association on which the Company’s securities are listed or quoted and any other applicable regulatory requirements, including without limitation requirements relating to director independence, financial literacy, nomination and size of the Committee. No member of the Committee may serve on the audit committee of more than three public companies, including the

Company, unless the Board (i) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and (ii) discloses such determination in the annual proxy statement.

All members of the Committee shall have a working familiarity with basic finance and accounting practices (or acquire such familiarity within a reasonable period after his or her appointment) and at least one member must be an “audit committee financial expert” pursuant to the requirements of the SEC, and at least one member (who may also serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with the applicable requirements of the stock exchange on which the Company’s securities are listed or quoted. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or by a third party.

The Chairman and the members of the Committee shall be appointed by the Board annually and as vacancies or newly created positions occur, taking into account any recommendation of the Nominating and Corporate Governance Committee, and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation, retirement, removal from office or death. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

The Chairman will chair all meetings of the Committee and will set the agendas for Committee meetings, consulting as appropriate with the other Committee members and members of management. The Chairman shall establish an annual calendar with a proposed agenda of the audit, financial and other related matters to be addressed at each of the Committee’s scheduled meetings during the year. Committee members are expected to make suggestions for agenda items.

#### **IV. DELEGATION OF DUTIES**

In fulfilling its responsibilities, the Committee is entitled to form and delegate any or all of its responsibilities to a subcommittee consisting of one or more members of the Committee, when appropriate and permitted by applicable legal and regulatory requirements. Where so permitted, a subcommittee of the Committee may exercise the powers and authority of the Committee and the Board while acting within the scope of the powers and responsibilities delegated to it.

#### **V. MEETINGS**

The Committee shall meet at least four times per year or more frequently as its members deem necessary to fulfill the Committee’s responsibilities. A majority of the Committee members shall constitute a quorum for the transaction of the Committee’s business. The Committee shall act upon the vote of a majority of its members at a duly called meeting at which a quorum is present. Any action of the Committee may be taken by a written instrument signed by all of the members of the Committee. The Committee shall have the authority to establish other rules and procedures for notice and conduct of its meetings consistent with the Company’s bylaws and any governance policies adopted by the Board of Directors.

Periodically, the Committee shall meet separately with management, with internal auditors (or other personnel responsible for the internal audit function) and with the independent auditor. All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.

However, when necessary, the Committee may meet in executive session without such other persons present.

## **VI. POWERS AND DUTIES**

The following functions shall be the recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional or substitute functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee shall have the following specific powers and duties:

### **With respect to the independent auditor:**

1. To be directly responsible for the appointment, compensation, retention and oversight of the work of any accounting firm engaged (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing its audit reports or performing other audit, review or attest services for the Company (subject, if applicable, to shareholder ratification). The Committee is responsible for reviewing the performance of each such accounting firm at least annually and removing the accounting firm if circumstances warrant. Each such accounting firm shall report directly to the Committee;
2. To review in advance, and grant any appropriate pre-approvals of (i) all auditing services to be performed by the independent auditor and (ii) all non-audit services to be provided by the independent auditor as permitted by Section 10A of the Securities Exchange Act of 1934 (the "Exchange Act") and pursuant to pre-approval policies and procedures established by the Committee, and, in connection therewith, to approve all fees and other terms of such engagement, provided that pre-approval of de minimis services shall not be required to the extent provided by, and subject to the requirements of, the Exchange Act. The Chairman of the Committee may provide any such pre-approvals and fee approvals if he deems it necessary to do so before the Committee can next conveniently meet, provided that he will review with the Committee any approvals so provided by him, and shall obtain the Committee's ratification thereof, no later than the next regular meeting of the Committee;
3. On an annual basis, to review and discuss with the independent auditor all relationships the independent auditor has with the Company and its subsidiaries in order to evaluate the independent auditor's continued independence. The Committee shall:
  - (a) ensure that the independent auditor submits to the Committee on an annual basis a written statement (consistent with Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence) delineating all relationships and services that may impair the objectivity and independence of the independent auditor;

- (b) discuss with the independent auditor any disclosed relationship or services that may impact the objectivity and independence of the independent auditor;
  - (c) satisfy itself as to the independence of the independent auditor, including whether the provision of non-audit services by the independent auditor is compatible with the auditor's independence; and
  - (d) ensure the regular rotation of the lead audit partner as required by law, and consider whether there should be regular rotation of the firm itself in order to assure continuing auditor independence;
4. At least annually, to obtain and review a report from the independent auditor describing (i) such firm's internal quality control procedures, (ii) any material issues raised by the most recent internal quality control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out by the firm, (iii) any steps taken to deal with any such issues and (iv) all relationships between the independent auditor and the Company consistent with applicable requirements of the Public Company Accounting Oversight Board (PCAOB) regarding the independent auditor's communications with the Committee concerning independence;
  5. In consultation with management and the internal auditors, to evaluate the qualifications, performance and independence of the lead audit partner and other significant partners for the Company's independent audit firm, and to confirm that the lead audit partner has not performed audit services for the Company for each of the five previous fiscal years and to present its conclusions to the full Board;
  6. To review, based on the recommendation of the independent auditor and the Company's management, the scope, timing and plan of the work to be done by the independent auditors with respect to each fiscal year and review the same with internal audit and the Company's management;

**With respect to financial statements and audit:**

7. To meet with the independent auditor prior to the audit to review the planning and staffing of the audit, and to discuss with the independent auditor the scope of its examinations of the books and records of the Company and its subsidiaries and the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended, relating to the conduct of the audit;
8. To review and discuss with management and the independent auditor the Company's annual audited and quarterly unaudited financial statements and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to the filing of the Company's filings with the SEC (or equivalent documents) and review other relevant reports or financial information submitted by the Company to any governmental body or the public;
9. To recommend to the Company's Board whether the Company's annual audited financial statements should be included in the annual report on Form 10-K (or equivalent document)

and to prepare related disclosure, as well as to review and approve the Company's unaudited financial statements for inclusion in the Company's quarterly reports on Form 10-Q (or equivalent document);

10. To review with management, the internal auditors and the independent auditor the integrity of the Company's financing reporting processes, both internal and external, and discuss (a) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, (b) analyses or other written communications prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements, and the ramifications of the use of such alternative methods, (c) other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences, (d) the critical accounting policies and practices of the Company; (e) the effect of regulatory and accounting initiatives, as well as off-balance sheet transactions and structures, on the financial statements of the Company, (f) the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP information), as well as review any financial information and earnings guidance provided to analysts and rating agencies (paying particular attention to the use of non-GAAP financial information) and (g) policies with respect to risk assessment and risk management;
11. To periodically review separately with each of management, the independent auditor and the internal auditors:
  - (a) any significant disagreement between management and the independent auditor;
  - (b) any problems or difficulties encountered in the course of the audit, including any restrictions on the scope of activities or access to requested information and management's response thereto, including those matters required to be discussed with the Committee by the auditor pursuant to established auditing standards, as amended;
  - (c) any changes required in the planned scope of the internal audit; and
  - (d) the performance, responsibilities, budget and staffing of the Company's internal audit function;
12. To resolve disagreements between management and the independent auditor regarding the Company's financial reporting;
13. To review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee or outside party (including stockholder) complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies;

14. To periodically discuss with the independent auditor, without management being present, the audit firm's judgment about the quality, appropriateness and acceptability of the Company's accounting principles and financial statements and the completeness and accuracy of the Company's financial statements;
15. To discuss with management and the internal and independent auditors, corporate policies with respect to earnings press releases, as well as review the Company's earnings press releases and the financial information and earnings outlook provided to analysts and rating agencies;
16. To review the process for any required CEO and CFO certifications of financial statements;

**With respect to internal audit functions, internal controls and related matters:**

17. To approve and recommend to the Board of Directors a Code of Business Ethics (the "Code") for all directors, officers and employees of the Company, to review the Code on an annual basis (or more frequently if the Committee so desires), and to recommend to the Board of Directors such changes to the Code as may be appropriate;
18. To review and discuss with management on an annual basis (or more frequently if the Committee so desires): (i) the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures (including management's risk assessment and risk management policies) and (ii) the implementation and effectiveness of the Company's compliance and ethics program, including the procedures that management has established to monitor compliance with the Code, and in connection with each such review to obtain reports from the person or persons having operational responsibility for the Company's compliance and ethics program (the "Compliance Officers") regarding the implementation and effectiveness of such program. The Compliance Officers shall have the authority to communicate directly with the Chairman of the Committee at any time, including with respect to the implementation and effectiveness of the Company's compliance and ethics program or any matter regarding actual or potential criminal conduct;
19. To review transactions between the Company and "related persons" (as such term is defined in Item 404(a) of Regulation S-K promulgated by the SEC) submitted by the Company's Chief Legal Officer for the Committee's consideration. The Committee shall consider and have the authority to approve, amend, ratify, terminate or rescind such transactions at the next Committee meeting, provided that the Chairman shall consider and have the authority to approve such transactions between Committee meetings. The Committee delegates such authority to the Chairman, and the Chairman shall report to the Committee at the next Committee meeting any approval pursuant to the delegated authority.
20. To review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources or significant components of revenues or expenses;

21. To review, in consultation with the independent auditor and management, (i) the independent auditor's report on internal control, (ii) the adequacy of the Company's disclosure controls and procedures and internal controls (including whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect the Company's ability to record, process, summarize and report financial information and any fraud involving management or other employees with a significant role in internal control over financial reporting), and any special audit steps adopted in light of material control deficiencies, (iii) procedures and policies of the Company designed to ensure compliance with applicable laws and regulations and (iv) the responsibilities, budget and staffing needs for the internal audit function;
22. To review with management and the independent auditor the sufficiency and quality of the internal auditor staff and other financial and accounting personnel of the Company and its subsidiaries, including advising management and the Board regarding the responsibilities, selection and removal of the leader or leaders of the internal audit function;
23. To review with management and the leader of internal audit the internal audit charter, scope, responsibilities, plans, budget, staffing, organizational structure, and results. The leader of internal audit will regularly attend Committee meetings;
24. To meet periodically with the leader of internal audit to discuss any matters that the Committee or internal audit believe should be discussed without management or the independent auditor present;
25. To establish procedures for (i) the receipt, retention and treatment of complaints received by the Company and its subsidiaries regarding accounting, internal accounting controls or auditing matters and (ii) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, as well as to review periodically complaints received directly or pursuant to such procedures and oversee treatment of employee concerns;

**Other:**

26. In consultation with the other committees of the Board and with the assistance of such Company officers and external resources as the Committee deems appropriate, (i) oversee the Company's guidelines and policies with respect to risk assessment and risk management, (ii) in connection with such oversight, assess reports and other information provided by Company management and such external resources as the Committee deems appropriate, and (iii) periodically review and discuss the Company's guidelines and policies with respect to risk assessment and risk management, including discussions with Company management regarding the Company's major financial and other risk exposures and the steps management has taken to monitor and control such exposures;
27. To review with management policies and procedures with respect to officers' expense accounts, including use of corporate assets; and consider the results of any review of these areas by the internal auditor.

28. To review, periodically, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements;
29. To review, periodically with management, competitive, regulatory, tax and accounting developments affecting the Company;
30. To establish the policy for the Company's hiring of employees or former employees of the independent auditor who were engaged on the Company's account;
31. To review and report regularly to the Board with respect to any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function;
32. To maintain minutes or other records of meetings and activities of the Committee and to report to the Board following meetings of or actions taken by the Committee;
33. To produce an annual audit committee report and any other Committee reports required to be included in the Company's annual proxy statement, in accordance with any applicable rules and regulations promulgated by the SEC, the NYSE and other regulatory bodies;
34. To conduct or authorize investigations into any matters within the Committee's purpose and powers;
35. To review and reassess the powers of the Committee and the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval;
36. To conduct an annual performance review and evaluation of the Committee; and
37. To consider such other matters in relation to the financial affairs of the Company, its books and records, and its internal and external audits as the Committee or the Board may, in its discretion, determine to be advisable.

## **VII. The Committee's Role**

The basic responsibility of the Chairman and the members of the Committee is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders.

Management of the Company is responsible for the day-to-day operation of the Company's business. In addition, management has the fundamental responsibility for the Company's financial statements and disclosures and exposure to risk. As a result, the Company's officers and employees and other persons who may be engaged by the Committee may have more time, knowledge and detailed information about the Company than do the Committee members. The Committee will review information, opinions, reports or statements presented to the Committee by the Company's officers or employees or other persons as to matters the Committee members reasonably believe are within such other person's professional or expert competence and who have been selected with reasonable care by or on behalf of the Company. While the Committee has the responsibilities and powers set forth in this charter, each member of the Committee, in the performance of his or her duties, will be entitled to rely in good faith upon reports



presented to the Committee by these experts to the fullest extent permitted by law. The Committee is not responsible for conducting audits or certifying the Company's financial statements or the independent auditor's report. Accordingly, the Committee's role does not provide any special assurances with regard to matters that are outside the Committee's area of expertise or that are the traditional responsibility of management and the auditors.