

WESTMORELAND COAL COMPANY
AUDIT COMMITTEE CHARTER

Adopted October 26, 2016

I. Purpose of the Committee

The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Westmoreland Coal Company (the “Company”) in fulfilling its oversight responsibilities relating to the integrity of the Company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, and the annual independent audit of the Company's financial statements. The Committee shall also oversee the independent auditors' qualifications and independence. It is the responsibility of the Committee to maintain free and open communication between the Committee, independent auditors, the internal auditors and management of the Company. The Committee is also responsible for producing an annual report for inclusion in the Company's proxy statement.

II. Composition of the Committee

The Committee shall consist of three or more directors, as determined from time-to-time by the Board. The members of the Committee shall be appointed annually to a one-year term by a majority vote of the Board at the first meeting of the Board following the annual meeting of the Company's stockholders. Each committee member shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation, removal from office, death or incapacity. The members of the Committee may be removed, with or without cause, only by a majority vote of the Board. Vacancies shall be filled only by a majority of the Board at the next Board meeting following the occurrence of the vacancy or as soon as practicable thereafter. The Chairperson shall be designated by the full Board. The Chairperson will chair all meetings of the Committee and set the agenda for the Committee meetings.

Each member of the Committee shall:

- meet the independence standards specified in Rule 5605(c) of the Listing Rules of The NASDAQ Stock Market, Rule 10A-3 under the Securities Exchange Act of 1934 and any other independence standards established by the Board or applicable laws, regulations and requirements;
- shall not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and
- shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement.

At least one member of the Committee shall be shall be an “audit committee financial expert,” as such term is defined by Item 407(d)(5)(ii) and (iii) of Regulation S-K.

III. Authority

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel or other experts or consultants, as it deems appropriate, including sole authority to approve the firms' fees and other retention terms. The Company will provide the Committee with appropriate funding, as the Committee determines, for the payment of compensation to the Company's independent auditor, outside counsel, and other advisors as it deems appropriate and administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention. The Committee will have access to the Company's books, records, facilities, and personnel. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

IV. Meetings and Procedures of the Committee

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but at least on a quarterly basis with the independent auditor and management to review the Company's financial statements. The Committee shall meet regularly with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or either of these groups believe should be discussed privately. The Chairperson may invite non-committee directors, members of management or other outside individuals to attend meetings of the Committee; however, such individuals may not vote on Committee business. The Chairperson may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the members of the Committee present in person or by telephonic means shall constitute a quorum. The Committee shall act upon the vote of a majority of its members at a meeting called in accordance with the bylaws at which quorum is present. Unless otherwise restricted by the certificate of incorporation or bylaws of the Company, any action may be taken by a written instrument signed by all of the members of the Committee.

The Committee shall maintain minutes of its meetings and records relating to those meetings. The Committee shall regularly provide reports of its actions to the Board.

V. Duties and Responsibilities of the Committee

The Committee relies on the expertise and knowledge of management, the internal auditors, and the independent auditor in carrying out its oversight responsibilities. While the Committee has the responsibilities and powers set forth in this charter, management is responsible for determining the Company's financial statements are complete, accurate, and in accordance with generally accepted accounting principles and establishing satisfactory internal control over financial reporting. The independent auditor is responsible for

auditing the Company's financial statements and the effectiveness of the Company's internal control over financial reporting. It is not the duty of the Committee to plan or conduct audits or to determine that the financial statements are complete and accurate and in accordance with generally accepted accounting principles. The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The Committee may perform such other duties and responsibilities as are consistent with its purpose and as the Board or the Committee deems appropriate.

Responsibility/ Duties	Q1	Q2	Q3	Q4	As Req'd
General Organization					
The agenda for Committee meetings will be prepared in consultation between the Committee chair (with input from the Committee members), Finance management, the senior internal audit employee (the "Internal Audit Executive"), and the independent auditor.	X	X	X	X	X
Review and update the Audit Committee Charter annually.			X		
Complete an annual evaluation of the Committee's performance.				X	
Independent Auditor					
Appoint or replace the independent auditor and approve the terms on which the independent auditor is engaged for the ensuing fiscal year.	X				
Ensure that the lead audit partner from the independent auditor serves in that capacity for no more than five fiscal years of the Company. In addition, ensure that any partner other than the lead or concurring partner serves no more than seven years at the partner level on the Company's audit.					X
At least annually, evaluate the independent auditor's qualifications, performance, and independence, including that of the lead partner. The evaluation will include obtaining a written report from the independent auditor describing the firm's internal quality control procedures; any material issues raised by the most recent PCAOB inspection, internal quality control review, or PCAOB review, of the firm or by any inquiry or investigation by governmental or professional authorities within the past five years, concerning an independent audit or audits carried out by the firm, and any steps taken to deal with those issues; and all relationships between the independent auditor and the Company.				X	X
Establish and oversee a policy designating permissible services that the independent auditor may perform for the Company, providing for preapproval of those services by the Committee subject to the de minimis exceptions permitted under applicable rules, and quarterly review of any services approved by the designated member of the Committee under the policy and the independent accountant's non-audit services and related fees.	X	X	X	X	X
Ensure receipt from the independent auditors of a formal written statement delineating all relationships between the auditor and the Company, consistent with applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors communications with the Audit Committee concerning independence, engage in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and take appropriate action to oversee the independence of the outside auditor	X				X
Internal Audit Function					
Review the responsibilities, resources, functions, and performance of the Company's internal audit department.			X		
Reporting and Disclosure					
Provide a report in the annual proxy that includes the Committee's review and discussion of matters with management and the independent auditor.	X				
Disclose annually in the proxy statement where the charter can be found on the Westmoreland website.	X				
Resolve any disagreements between management and the independent auditor about financial reporting.					X
Inquire of management, the Internal Audit Executive, and the independent auditor about significant risks or exposures, review the Company's policies for risk assessment and risk management, and assess the steps management has taken to control such risk to the Company.			X		X

Review with Finance management, the independent auditor, and the Internal Audit Executive the audit scope and plan, and coordination of audit efforts to ensure completeness of coverage, reduction of redundant efforts, the effective use of audit resources, and the use of independent public accountants other than the appointed auditors of the Company.	X		X		X
Review with Finance management, the independent auditor, and the Internal Audit Executive the Company's annual assessment of the effectiveness of its internal controls and the independent auditor's attestation.	X				
Review with Finance management, the independent auditor, and the Internal Audit Executive: a. The adequacy of the Company's internal controls, including computerized information system controls and security. b. Any "material weakness" or "significant deficiency" in the design or operation of internal control over financial reporting, and any steps taken to resolve the issue.	X	X	X	X	
Review with Finance management, the independent auditor, and the Internal Audit Executive any related significant findings and recommendations of the independent auditor and internal audit together with management's responses.					X
Review with Finance management any significant changes to GAAP policies or standards.	X	X	X	X	
Review with Finance management and the independent auditor at the completion of the annual audit: a. The Company's annual financial statements and related footnotes, and recommend that the audited financial statements be included in the Form 10-K. b. The independent auditor's audit of the financial statements and its report thereon, including any matters to be communicated by the independent auditor pursuant to Section 10A of the Securities Exchange Act of 1934. c. Any significant changes required in the independent auditor's audit plan. d. Any serious difficulties or disputes with management encountered during the course of the audit, and management's response. e. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards	X				X
Review with Finance management and the independent auditor at least annually the Company's critical accounting policies.				X	X
Review policies and procedures with respect to transactions between the Company and officers and directors, or affiliates of officers or directors, or transactions that are not a normal part of the Company's business, and review and approve those related-party transactions that would be required to be disclosed pursuant to SEC Regulation S-K, Item 404.				X	X
Review with the independent auditor and the Internal Audit Executive: a. Significant findings by the independent auditor or the Internal Audit Executive during the year and management's responses. b. Any difficulties encountered in the course of their audit work, including any restrictions on the scope of their work or access to required information. c. Any changes required in planned scope of their audit plan.	X	X	X	X	X
Before each earnings release review with Finance management the earnings release, financial information, use of any non-GAAP information, and earnings guidance.	X	X	X	X	
Review with Finance management and the independent auditor the Company's quarterly financial statements and analyses prepared by management 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.	X	X	X	X	
Review with the independent auditor alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of use of the alternative disclosures and treatments, and the treatment preferred by the independent auditor.	X	X	X	X	
Review with the independent auditor other material written communications between the independent auditor and management (e.g., schedule of unadjusted differences).	X	X	X	X	
Review with Finance management, the Internal Audit Executive and the independent auditor the periodic reports of the Company (including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations") and other financial filings with the SEC prior to filing with the SEC. Recommend to the Board acceptance and inclusion of the quarterly financial statements and Management's Discussion and Analysis in the Form 10-Q.	X	X	X	X	
After review, recommend to the Board acceptance and inclusion of the annual audited financial statements in the Company's Annual Report on Form 10-K.	X				

<p>In connection with each periodic report of the Company, review:</p> <ul style="list-style-type: none"> a. Management's disclosure to the Committee and the independent auditor under Section 302 of the Sarbanes-Oxley Act, including identified changes in internal control over financial reporting. b. The contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Sarbanes-Oxley Act and the process conducted to support the certifications. 	X	X	X	X	
<p>Review with the General Counsel legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies and programs, and reports received from regulators.</p>	X	X	X	X	
<p>Develop, review, and oversee procedures for (i) receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, and auditing matters and (ii) the confidential, anonymous submission of employee concerns regarding accounting or auditing matters.</p>		X			X