

KING IV APPLICATION REGISTER / UNION ATLANTIC MINERALS LIMITED

	Principle	Application / Explanation	Commentary
1	The governing body should lead ethically and effectively.	Applied	<p>The board of directors of Union Atlantic Minerals Limited holds one another accountable for decision-making and ethical behaviour. The Chairman of the Board oversees this on an ongoing basis. This responsibility is contained in the Board Charter that includes the board code of conduct.</p> <p>No fraud or unethical behavior was detected during the external audit for the 2018 period.</p>
2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Applied	<p>During 2018, the Board established a Social and Ethics Committee responsible for monitoring and governance of the ethics of the Company. The role and responsibility of the Social and Ethic Committee is contained in a Social and Ethics Committee terms of reference.</p> <p>The Company's Code of Ethics guides the interaction between employees, clients, stakeholders, suppliers and the communities within which it operates.</p>
3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Partially	<p>The Social and Ethics Committee will going forward monitor the Company's Activities in relation to Corporate Citizenship. The Company have not actively participated in community activities, education and well-being, due to the challenging past five years. The focus, as part of the restructuring would be to establish a framework of priorities that the Company would embark on in the future.</p>
4	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Partially	<p>The Board appointed a CEO with a specific mandate to implement a turnaround strategy to ensure that the Company's ability to create value in a sustainable manner is illustrated throughout its business model.</p> <p>The Board as a whole remain responsible for the governance of risk and appointed an Audit and Risk Committee. This Committee will assist the Board with the governance of risk and continue ensuring the monitoring of risks while ensuring that effective mitigating factors are in place. This responsibility is contained in the Board Charter and the Audit and Risk Committee terms of reference.</p>
5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.	Applied	<p>The Board approved the Integrated Annual Report that informs stakeholders of the organizations performance as well as the medium and longer term strategy.</p> <p>The Board continuously provide updates on the progress in terms of the turnaround strategy, on SENS.</p>
6	The governing body should serve as the focal point and custodian of the corporate governance in the organisation.	Applied	<p>The Board acts in accordance with a Board Charter and is the focal point and custodian of corporate governance within the Company. The Board delegated some of its functions to recently established board committees.</p>
7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Partially	<p>The Board and its board committees consider on a regular basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities.</p> <p>The current Board do have a balance of skills, experience, diversity, independence and knowledge to discharge its role and responsibilities but the Board acknowledges the need to appoint more independent</p>

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			<p>non-executive directors and endeavor to do so as soon as the Company turnaround strategy progressed to a stage where the required caliber of independent non-executive director can be attracted.</p> <p>Going forward, the Board will conduct annual self-assessments of the Board, its members and the board committees, something that was not done for the past five years.</p>
8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	Partially	<p>The Board and its sub-committees do not fully comply with the requirements in terms of King IV. Having said that, there is a clear balance of power that ensure that no individual/s have undue decision- making powers.</p> <p>Deon Joubert was appointed as the lead independent non-executive director during 2018.</p>
9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Partially	The Board and its sub-committees' terms of reference include the onus of annual assessments. Assessments of the performance of the Board, its board- committees and the company secretary will going forward be conducted annually by way of internal evaluation processes.
10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	Partially	<p>The Delegation of Authority between the Board and the CEO is largely governed by the principles of King IV and the requirements of the JSE Limited. This delegation is also included in the Board Charter.</p> <p>An updated and detailed Delegation of Authority policy and framework indicating the matters reserved for the Board and senior management is in process of being developed.</p> <p>The Board is not satisfied that the Company is appropriately resourced but this will be addressed as part of the ongoing turnaround strategy.</p>
11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Partially	<p>The Risk Management Framework having regarded the new strategy of the Company is in process of being developed.</p> <p>The recently established Audit and Risk Committee will assist the Board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of the Company.</p> <p>The recently established Audit and Risk Committee would delegate to management to continuously identify, assess, mitigate and manage risks within the operating environment.</p>
12	The governing body should govern technology and information in a way that supports the organization setting and achieving its strategic objectives.	Partially	The Board, together with the recently established Audit and Risk Committee, will oversees the governance of information technology. The Board is aware of the importance of technology and information in relation to the Company's strategy.
13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.	Partially	The Board through the recently appointed Social and Ethics Committee, monitors compliance to the various regulations the Company is subject to.

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			<p>There were instances of contraventions and non-compliance areas for the period under review, relating to breaches of the requirements of the JSE Limited and the Companies Act (Late submission of financial statements and holding of Annual General Meetings). The Board was made aware of these by the Company Secretary but due to limited human and financial resources same could not be addressed during the period under review. The Board however are in process of addressing all areas on contraventions and non-compliance as part of the turnaround strategy.</p> <p>No penalties, sanctions or fines for contraventions of, or non-compliance with, regulatory obligations were issued against any directors.</p>
14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in short, medium and long term.	Not applied	<p>The Board, assisted by the recently appointed Nomination and Remuneration Committees will ensure that staff (to be appointed in future) are remunerated fairly, responsibly, transparently and in line with industry standards so as to promote the creation of value in a sustainable manner. An updated and appropriate Remuneration Policy will be drafted in due course.</p> <p>The Non-Executive directors have not received any remuneration for their services as directors. Resolutions in this regard will be tabled to shareholders for approval at the upcoming Annual General Meeting.</p> <p>These responsibilities are contained in the respective terms of reference of the Nomination and Remuneration Committee.</p>
15	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	Partially	<p>The Board is satisfied that the assurance results indicate an adequate and effective control environment and integrity of reports for better decision-making. As indicated in the Integrated Annual Report, the Board did not rely on an Audit and Risk Committee for the results that are presented in the Integrated Annual report but as a whole consider and approved it.</p> <p>This responsibility is contained in the Board Charter and the Audit and Risk Committee terms of reference.</p>
16	In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Partially	The stakeholder inclusive approach remains subject to further development.
17	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.		N/A – Union Atlantic Minerals Limited is not an institutional investor.