



UNION ATLANTIC MINERALS LIMITED

SOCIAL & ETHICS COMMITTEE

TERMS OF REFERENCE

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1. Introduction

- 1.1 The Board of Directors (hereinafter referred to as the “Board”) of Union Atlantic Minerals Limited (hereinafter referred to as “UAM” or as “the Company”) has resolved to establish a Committee of the Board to be known as the “Social & Ethics Committee” (hereinafter referred to as “the Committee”) to act in the capacity of an Social & Ethics Committee for UAM and all of its subsidiaries.
- 1.2 The duties and responsibilities of the members of the Committee are in addition to those as members of the Board.
- 1.3 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their statutory obligations.
- 1.4 These terms of reference are subject to the provisions of the:
 - 1.4.1 Companies Act and Regulations, 71 of 2008 (“the Companies Act”);
 - 1.4.2 The King Code for Corporate Governance for South Africa;
 - 1.4.3 Company’s Memorandum of Incorporation; and
 - 1.4.3 Any other applicable law or regulatory provision.

2. Purpose of these Terms of Reference

The purpose of these Terms of Reference is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meeting procedures.

3. Composition and Tenure

- 3.1 The Committee comprises at least three non-executive directors, including a minimum of one independent non-executive director.
- 3.2 The Chairman of the Audit and Risk Committee is an *ex officio* member of this Committee.
- 3.3 The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.
- 3.4 The Board shall appoint the Chairman of the Committee.

3.5 The Board shall determine the period for which the Chairman and Committee members shall hold office.

3.6 A Committee member, who holds office as a director of the Board, will automatically cease to be a member of the Committee upon resignation from the Board.

4. Role

The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The role of the Committee is to assist the Board to ensure that the Company has implemented an effective policy and plan for reputational risk management that will enhance the Company's ability to achieve its strategic objectives in line with set criteria for the optimum social and ethical environment.

5. Duties and Responsibilities

The Committee must perform all the functions as is necessary to fulfil its role as stated afore including the following:

5.1 To monitor and report on the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

5.1.1 social and economic development, including the Company's standing in terms of the goals and purposes of:

- i. the ten principles set out in the United Nations Global Compact Principles;
- ii. the OECD recommendations regarding corruption;
- iii. the Employment Equity Act; and
- iv. the Broad Based Black Economic Empowerment Act;

5.1.2 good and responsible corporate citizenship, including the Company's:

- i. promotion of equity, prevention of unfair discrimination, and reduction of corruption;

- ii. contribution to development of the communities in which its activities are predominately conducted or within which its products or services are predominantly marketed; and
 - iii. record of sponsorship, donations and charitable giving.
 - 5.1.3 the environment, health and public safety, including the impact of the Company's activities and of its products or services;
 - 5.1.4 consumer relationships, including the Company's advertising public relations and compliance with consumer protection laws; and
 - 5.1.5 labour and employment, including:
 - i. the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
 - ii. the Company's employment relationships, and its contribution toward the educational development of its employees;
 - 5.1.6 Liaise closely with the Audit and Risk Committee to exchange information relevant to issues pertaining to social, ethical and reputational risk.
 - 5.1.7 Sustainable development;
 - 5.1.8 Organisational ethics; and
 - 5.1.9 Stakeholder relationships.
- 5.2 The Committee is responsible for the design and implementation of the Company's Code of Ethics and any other policies necessary to ensure the Company's image and reputation is protected through the proper conduct of all persons involved in or associated with the Company. The Committee will recommend all such Codes and policies to the Board for its approval.

6. Reporting Responsibilities

- 6.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 6.2 The Committee shall make whatever recommendations to the Board it deem appropriate, on any area within its ambit, where action or improvement is needed;
- 6.3 In performing their duties and functions, each Committee member must act in the best interest of the Company in terms of their fiduciary duties and also in accordance with their duties under the

Company's Code of Ethics. Committee members should maintain appropriate relationships with relevant executives of the Company.

7 Authority

- 7.1 The Committee has authority to make decisions in so far as it is empowered to do so by the Board and as recorded in these Terms of Reference. On matters beyond its authority, the committee makes recommendations to the Board for its approval.
- 7.2 As per section 72 of the Companies Act the Committee, in carrying out its duties, has powers to consider and make decisions on:
- (a) The need to investigate any activity within its scope of responsibilities;
 - (b) Consulting with or seeking any information it requires from any employee who shall be obliged to co-operate with the Committee;
 - (c) Access internal or external resources to properly carry out its duties;
 - (d) Obtain independent professional advice at the Company's expense if it believes this is necessary to fulfil its duties. Such advisors may attend meetings at the invitation of the Chairman;
 - (e) Access relevant Company records, facilities and any other resources necessary to discharge its duties and responsibilities;
 - (f) Delegate its authority and duties, in so far as it is not precluded from doing so by these Terms of Reference or legal or regulatory requirements, to other Board Committees, working groups or other persons including employees or individual members of the Committee;
 - (g) Make recommendations to the Board for approval by the Board;
- 7.3 The Committee, in the fulfilment of its duties, may call upon the Chairmen of the other Board Committees, any of the executive directors, officers or Company Secretary to provide it with information, subject to following a Board approved process.
- 7.4 The Committee may not perform any management functions or assume any management responsibilities and shall have no executive powers with regard to its findings and recommendations.

8. Overlap and Efficiency of all Committees

The Committee must take cognisance that its roles and responsibilities may overlap with those of other committees. In instances where the Committee needs to exercise oversight on matters handled by other committees or where there is a clear overlap, the Committee Chairman should agree with the relevant committee chairman as to which committee shall deal with the matter and report to the Board. Duplication must be avoided.

9. Meeting Procedures

9.1 Frequency

- 9.1.1 The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in these Terms of Reference but subject to a minimum of two meetings per year.
- 9.1.2 Meetings in addition to those scheduled may, with approval of the Chairman be held at the request of the Chief Executive Officer, Chief Financial Officer or other members of senior management or at the instance of the Board.
- 9.1.3 The Chairman of the Committee may meet with the Chief Executive Officer, Chief Financial Officer and/or the Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

9.2 Attendance

- 9.2.1 The Chief Executive Officer, Chief Financial Officer and other members of senior management as may be required, assurance providers and Board members may be in attendance at Committee meetings, but by invitation only and they may not vote.
- 9.2.2 Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc*-basis for special matters, unless prior apology, with reasons, has been submitted to the Chairman or the Company Secretary.
- 9.2.3 The Chairman shall have the casting vote, if required;
- 9.2.4 A decision that could be voted on at a meeting may instead be adopted by written resolution provided a quorum of members is obtained. A decision made in such a manner has the same effect as if it had been approved at a meeting.

- 9.2.5 If the Chairman of the Committee is not present within thirty minutes of the scheduled start time of the meeting or is unable to attend a meeting, the Committee members present shall nominate an acting Chairman from among themselves;
- 9.2.6 Where decisions are required by way of written resolution, a quorum shall constitute the majority of members, one of whom must be the Chairman;
- 9.2.7 If a member is unable to act for any reason, and there is no quorum for the Committee to deliberate on a matter before it, then the Chairman may, in consultation with the Board chairman, co-opt another independent director as an additional member.
- 9.2.8 Meetings may be held in person, by telephone, videoconference or other form of electronic means that would prove efficient, provided that the required quorum is met. All persons shall be deemed to be present at the meeting.
- 9.2.9 The Company Secretary is the secretary to this Committee.

9.3 Agenda and Minutes

- 9.3.1 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The work plan should be reviewed each year to ensure that all items are covered;
- 9.3.2 The annual plan must ensure proper coverage of the matters laid out in these Terms of Reference: more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.
- 9.3.3 A detailed agenda, together with supporting documentation, must be circulated, at least seven days prior to each meeting to the members of the Committee and other invitees.
- 9.3.4 Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matter for discussion.
- 9.3.5 The minutes must be completed as soon as possible after the meeting and circulated to the Chairman and members of the Committee for review thereof.
- 9.3.6 The minutes must be formally approved by the Committee at its next scheduled meeting.

9.4 Quorum

- 9.4.1 A quorum for meetings is a majority of members of the Committee present in person or *via* telecom facilities.
- 9.4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 9.4.3 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

10 Annual General Meeting

One of the members of the Committee shall attend the Annual General Meeting of the Company and report on the Committee's activities.

11. Evaluation

The Board must perform an evaluation of the effectiveness of the Committee as well as the performance of the Committee and its members, including an evaluation of the Committee's compliance with these Terms of Reference, at least annually.

12. Approval of these Terms of Reference

The Terms of Reference was approved by the Chairman of the Board and the Chairman of the Committee on _____ and will be due for review annually.

Signed by the Chairman of the Board on _____ 2018 at Pretoria.

Chairman of the Board

Signed by the Chairman of the Committee on _____ 2018 at Pretoria.

Chairman of the Committee

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