

GOVERNANCE 2019



GOVERNANCE

Corporate governance statement

The Company is committed to achieving the highest standards of corporate governance and to conducting its operations and corporate activities safely and in accordance with all applicable laws and regulatory obligations. The Board has adopted a corporate governance framework which it considers to be suitable given the size, history and strategy of the Company.

Board responsibility

The Board of Directors is responsible for the overall strategy, governance and performance of the Company.

The Board Charter sets out the responsibilities which are specifically reserved for the Board. These include the following:

- Determining the composition of the Board, including the appointment of Directors and appointment and removal of senior executives
- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance
- Reviewing and monitoring risk management and internal compliance, codes of conduct and legal compliance
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making
- Approving capital expenditure and company budgets and reviewing the integrity of financial and other reporting

Board composition

The Board currently consists of six Directors including, an Independent Chairman, one additional Independent Non-executive Director, two Non-executive Directors who are not independent and two Executive Directors.

Member	Position	Nationality	Resignation
John Hopkins OAM (Chair)	Independent, Non-executive Director	Australian	
Tony Weber	CEO and Executive Director	South African	
Shammy Luvhengo	Executive Director	South African	
Henri Bonsma	Independent, Non-executive Director	South African	
Carlo Baravalle	Non-executive Director	British	
David Twist	Non-executive Director	British	
Nonkululeko Nyembezi	Non-executive Director	South African	Resigned 3 May 2019
Andries Engelbrecht	Non-executive Director	South African	Resigned 3 May 2019

Board independence

An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with, the exercise of independent judgement. Independent Directors do meet the definition of what constitutes independence as set out in the third edition of the ASX Corporate Governance Council Principles and Recommendations (ASX Recommendations).

Access to information and independent advice

The Company Secretary provides assistance to the Board. Directors also have access to senior executives at any time to request any relevant information. The Board Charter provides that:

- All Directors have unrestricted access to Company records and information except where the Board determines that such access would be adverse to the Company's interests
- All Directors may consult management and employees as required to enable them to discharge their duties as Directors
- The Board, Board committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board



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Board committees

To assist the Board in carrying out its functions, the Board has established:

- Audit and Risk Committee
- Remuneration Committee

Each committee is established according to a charter that is approved by the Board. Each committee is entitled to the resources and information it requires to discharge its responsibilities, including direct access to senior executives, employees and advisers as needed.

Audit and Risk Committee composition:

Henri Bonsma (Chair)	Independent, Non-executive Director
John Hopkins OAM	Independent, Non-executive Director
Carlo Baravalle	Non-executive Director

Remuneration Committee composition:

John Hopkins OAM (Chair)	Independent*, Non-executive Director
Henri Bonsma	Independent*, Non-executive Director
David Twist	Non-executive Director

The number of meetings held for each of the Committees above and each Committee member's attendance at these meetings, is set out in the Directors' Report in the 2019 Annual Report.

In addition to the standing Committees referred to above, the Board also can establish *ad hoc* committees formed for a limited period of time to address a specific need.

Each Committee regularly reports to the Board on matters relevant to the Committee's role and responsibilities and the minutes of each Committee meeting are made available to each Director.

Corporate governance principles and recommendations

In accordance with the ASX Listing Rules, Universal Coal is required to disclose the extent to which it has followed the ASX Recommendations during the reporting period 1 July 2018 – 30 June 2019. Where the Company has not followed an ASX Recommendation, this has been identified and an explanation for the departure has been given.

This Corporate Governance Statement reports against the third edition of the ASX Recommendations and the practices detailed in this Corporate Governance Statement are current as at 28 September 2019. It was approved by the Board and is available on the Universal Coal website at www.universalcoal.com/about-us/corporate-governance.

Further details relating to the Company's corporate governance practices are available in the Corporate Governance Plan on the Company's website at www.universalcoal.com/about-us/corporate-governance. The Corporate Governance Plan includes the following policies as referred to in this Corporate Governance Statement:

- Board Charter
- Diversity Policy
- Corporate Code of Conduct
- Securities Trading Policy
- Audit and Risk and Remuneration Committee Charters
- Continuous Disclosure Policy
- Shareholder Communication Policy
- Risk Management Policy

Principle 1: Lay solid foundations for management and oversight

The Board has adopted a formal Board Charter which clearly details its functions and responsibilities and delineates the role of the Board from that of the senior executives.

Delegation to CEO and senior executives

The Board Charter states that day-to-day management of the Company's affairs is delegated to the CEO and the implementation of the corporate strategy and policy initiatives has been formally delegated by the Board to the CEO and senior executives.

Director selection process and Board renewal

The composition of the Board is reviewed regularly to ensure the appropriate mix of skills, diversity and expertise is present to facilitate successful strategic direction.

As detailed in the Board Charter, in appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. Consideration will also be given to achieving a Board with a diverse range of backgrounds.

The process used for selecting new members for the Board, as set out in the Board Charter, may be assisted by the use of external search organisations as appropriate. An offer of a Board appointment will be made by the Chairman of the Board only after having consulted with all Directors. Detailed background information in relation to a potential candidate is provided to all Directors.

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No new Directors were appointed during FY2019. Two Directors of the Company, being Nonkululeko Nyembezi and Andries Engelbrecht resigned repetition on 3 May 2019 following IchorCoal N.V.'s sell down of its substantial shareholding in the Company.

Executive Directors are provided with executive contracts of employment and Non-executive Directors are provided with service agreements setting out the key terms and conditions relative to that appointment.

When appointing any new Director, at the commencement of the selection process, the Company will undertake appropriate checks on potential candidates to consider their suitability to fill a casual vacancy on the Board or for election as a Director.

Director rotation requirements in the Company's Articles of Association require that each year one-third of Directors, or if the number is not a multiple of three, a number nearest to one-third but not exceeding one-third, must retire from office. Subject to the provisions of the Company's Articles of Association, prior to the Board proposing re-election of Non-executive Directors, their performance will be evaluated by the Board to ensure that they continue to contribute effectively to the Board. In addition, material information is provided to shareholders regarding each Director being proposed for election or re-election to assist shareholders in their decision to elect or re-elect a Director.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary's responsibilities are set out in the Board Charter.

Diversity

The Board is committed to workplace diversity and recognises the benefits arising from diversity, including a broad pool of high quality employees, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

The Company has implemented a Diversity Policy. The Diversity Policy provides a framework for the Company to achieve:

- A diverse and skilled workforce that supports continuous improvement and achievement of corporate goals
- A workplace culture characterised by inclusive practices and behaviours
- Equal employment and career development opportunities for all staff, regardless of gender, age, ethnicity or cultural background
- A work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives

The Board is responsible for setting and carrying out strategies to meet the objectives of the policy, including setting measurable objectives to achieve gender diversity and annually assessing the measurable objectives and the Company's progress in addressing them.

Historically and during the reporting period, the Company has been a small employer and as such, had not set or implemented measurable objectives to date. However, as the Company is now a fully operational coal producer, and due to the increase in operations during the year, the number of employees has increased to 218 (2018: 168) (excluding graduates and learnerships).

Accordingly, the Company has been working towards the implementation of a new Diversity and Transformation Policy. The Diversity and Transformation Policy has been formalised by management and is to be adopted by the Board, with measurable objectives to be set for the FY2020. Diversity and Transformation management reports will be presented to the Board on an annual basis.

Proportion of women and men employed

	30 June 2016	30 June 2017	30 June 2018	30 June 2019
	%	%	%	%
Universal Coal Board				
Male	87.5	87.5	87.5	100
Female	12.5	12.5	12.5	–
Senior executive positions ¹ (FTE)				
Male	80	75	71	75
Female	20	25	29	25
Employees (FTE)				
Male	70	64	58	68
Female	30	36	42	32

¹ Senior executive means all direct reports to the CEO

FTE: Full-time equivalent



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Board and Director performance evaluation

The Board periodically undertakes an evaluation of the performance of the Board, its committees and its Directors. The evaluation encompasses a review of the structure and operation of the Board and its committees, the skills and characteristics required by the Board to maximise its effectiveness, the performance of its committees and Directors, and the appropriateness of the Board's practices and procedures to meet the present and future needs of the Company. The most recent evaluation of the Board, its committees and its Directors was conducted during the reporting period. The Board determined that it benefited from a variety of perspectives and skills, that it remained of a size which facilitated effective decision making and that its committees and Directors were effectively discharging their responsibilities.

Performance of senior executives

The CEO, Executive Director: Business Development and Chief Financial Officer (CFO) have employment contracts describing their terms of office, rights and responsibilities and entitlements on termination. Induction programmes are in place to allow new senior executives to participate fully and actively in management decision-making.

On an annual basis, the Remuneration Committee assesses the performance of the CEO as part of the annual remuneration determinations. The CEO evaluates the performance of the remaining senior executives on a regular informal basis and this was completed for the year ended 30 June 2019.

Principle 2: Structure the Board to add value

Nominations Committee

The accountabilities and responsibilities of the Nominations Committee are carried out by the Board. At this time, based on the Company's size and stage of development, it is not considered necessary to

establish a separate Nominations Committee. The nomination related responsibilities of the Board include assessing the skills, diversity and necessary industry, technical or functional experience required by the Board, recommending Directors for re-election and conducting searches for new Board members when required.

Structure of the Board

The structure and composition of the Board and its committees is as set out above.

The skills, experience, expertise and length of service/appointment date of each Director are set out on pages 47 and 51 of Universal Coal 2019 Annual Report.

Chairman's responsibilities and independence

The Board Charter provides that the Chairman of the Board is responsible for the leadership of the Board, ensuring the Board is effective, setting the agenda of the Board, conducting Board meetings and conducting shareholder meetings.

The Chairman of the Board, John Hopkins OAM, is an independent Non-executive Director. The roles of the Chairman and CEO are separated.

Board independence

An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to materially interfere with the exercise of independent judgement. Any independent Director will meet the definition of what constitutes independence as set out in the ASX Recommendations and set out in Annexure A of the Board Charter. The materiality thresholds are assessed on a case-by-case basis, considering the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

At this time, there are two Directors the Board has classified as independent – the Non-executive Chairman, John Hopkins OAM and Henri Bonsma. Tony Weber and Shammy Luvhengo are executives of the Company and therefore not independent. Carlo Baravalle and David Twist are not independent because they were nominated as Directors by one of the Company's substantial shareholders, Coal Development Holding B.V. Nonkululeko Nyembezi and Andries Engelbrecht resigned as directors of the Company on 3 May 2019 and were not considered independent during their tenure because they were nominated as Directors by one of the Company's previous substantial shareholders, Ichor Coal N.V.

The Board Charter states that, where practical, the majority of the Board is comprised of Non-executive Directors and where practical, at least 50% of the Board will be independent. At this stage, a majority of the Board are Non-executive Directors but the majority are not independent as only two of the six Directors can be considered independent. The Board has assessed that this is appropriate for the current stage of development and size of the business and that the current Board members have the skills, expertise and experience required to effectively oversee the Company's business. The Board will review its composition at regular intervals and re-consider the composition, skills and diversity requirements when either a Board vacancy presents itself or new directors are appointed to the Board.

Board skills matrix

The Board has not developed a skills matrix at this time. A skills matrix will, however, be developed over time and may be utilised as and when the Board determines that additional directors should be added to the Board. The Board believes that the current skills represented on the Board are appropriate for the current stage of the Company's development and are appropriate to implement the Company's strategy. These skills include industry and operational experience, project assessment and management, financial, legal and executive experience.

Induction

There were no new Directors appointed during the year. However, when new Directors are appointed they are provided with information regarding the Company's legal framework, strategy and operations and corporate governance practices and policies as an induction to the Company.

Continuing education

Directors are provided with continuing education opportunities to update and enhance their skills and knowledge. This consists of regular updates to the Board from management, separate to Board meetings, to ensure Non-executive Directors are well-informed of the Company's operations and any recent developments.

Principle 3: Promote ethical and responsible decision-making

Corporate Code of Conduct

The Company has implemented a Corporate Code of Conduct (the Code) which applies to Directors and employees. The Code provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The Code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from Directors and employees.

Employees are encouraged to raise any matters of concern in good faith with the head of their business unit without fear of retribution. Where the matter is inappropriate to be raised with the head of their business unit, employees are able to raise the matter with the CEO or CFO as appropriate.

The CFO reviews and reports directly to the Board on any material breaches of the Code. The Audit and Risk Committee oversees

procedures for whistleblower protection. The Company is currently considering and intends to implement a formal whistleblower policy in FY2020.

Dealings in securities

The Company has implemented a Securities Trading Policy which covers dealings in the Company's securities by its key management personnel (Directors and those employees reporting to the CEO). The Securities Trading Policy sets out the guidelines for trading in the Company's securities, including closed periods, exceptions and approval and notification requirements.

Conflicts of interest

The Articles of Association and Code of Conduct set out the obligations of Directors in dealing with any conflicts of interest. The Board has adopted a Related Party Transactions/Conflicts to provide further guidance to Directors regarding any potentially related party transactions. Pursuant to the Articles of Association, Code of Conduct and Related Party Transaction/Conflicts Policy, Directors are obliged to:

- Disclose to the Board any actual or potential conflicts of interest which may exist as soon as they become aware of the issue
- Take any necessary and reasonable measures to resolve the conflict
- Comply with all laws in relation to disclosure of interests and restrictions on voting

Unless the Board determines otherwise, a Director with any actual or potential conflict of interest in relation to a matter before the Board, does not:

- Receive any Board papers in relation to that matter
- Participate in any discussion or decision-making in relation to that matter

The Company Secretary also maintains a register of any potential conflicts of interests of Directors.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Committee

The Board has established an Audit and Risk Committee governed by the Audit and Risk Committee Charter. The composition of the Audit and Risk Committee is as set out above. All members of the Audit and Risk Committee are financially literate and have experience in the industry in which the Company operates. Profiles of each of the Audit and Risk Committee members and meeting attendance information are set out in the Directors' Report in the Annual Report 2019.

The objective of the Audit and Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. The Audit and Risk Committee's responsibilities include:

- Review of financial reports
- Review and monitoring of risk management systems, practices and procedures
- External audit
- Any special reviews or investigations requested by the Board

Audit and Risk Committee composition

For the majority of FY2019 (until the resignation of Nonkululeko Nyembezi on 3 May 2019), the composition of the Audit and Risk Committee complied with the ASX Recommendations, except in relation to having a majority of independent Directors, being composed of:

- Four members
- All Non-executive Directors with equal numbers of independent Directors and Non-independent Directors
- A Chair who is an independent Director and who is not the Chairman of the Board



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As at the end of FY2019 and as at the date of this Corporate Governance Statement, the composition does comply with the ASX Recommendations with the Audit and Risk Committee being composed of:

- Three members
- All Non-executive Directors with the majority of whom being independent Directors
- A Chair who is an independent Director and who is not the Chairman of the Board

Audit

The primary purpose of the Audit and Risk Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- The quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices
- Compliance with all applicable laws, regulations and Company policy
- The effectiveness and adequacy of internal control processes
- The performance of the Company's external auditors and their appointment and removal
- The independence of the external auditor and the rotation of the audit lead engagement partner
- The identification and management of business risks

A secondary function of the Audit and Risk Committee is to perform such special reviews or investigations as the Board may consider necessary.

CEO and CFO declaration

Prior to Board approval of the Company's quarterly, half year and annual financial reports, the CEO and CFO provided the Board

with declarations required under Recommendation 4.2 of the ASX Recommendations that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Auditor at the AGM

The auditor's lead engagement partner is present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

Principle 5: Make timely and balanced disclosure

The Company is committed to ensuring:

- Compliance with the requirements of the ASX Listing Rules
- All relevant regulations and ASX Recommendations
- Accountability at CEO level for that compliance
- Facilitation of an efficient and informed market in the Company's securities by keeping the market apprised through ASX announcements of all material information

The Company has implemented a Continuous Disclosure Policy which is designed to support the commitment to a fully informed market in the Company's securities by ensuring that announcements are:

- Made to the market (via the ASX Company Announcements platform) in a timely manner, are factual and contain all relevant material information
- Expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions

Principle 6: Respect the rights of shareholders

The Company has adopted a Shareholder Communications Policy which aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders through:

- Quarterly, half year and annual reports
- Disclosures and announcements made to the ASX
- Notices and explanatory notes of AGM and extraordinary general meetings, addresses or presentations made at those meetings
- The Company's website

The Board encourages participation by shareholders at all shareholder meetings which provides effective two-way communication with investors. Shareholders are encouraged to attend shareholder meetings but if they are unable to attend they are encouraged to vote via proxy and send any questions to the Company, details of which are provided in the notice of meeting. In addition, an investor relations programme is followed where key analysts and investors are briefed on a regular basis. The presentations for these meetings are provided to the ASX for all shareholders to access.

The Company's website provides detailed information for shareholders, including:

- Corporate governance policies
- Details of the Company's projects
- Sustainability programmes
- All ASX and media releases
- Copies of reports released by the Company
- Share price data

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Shareholders have the option to receive communications from and send communications to the Company and the Company's share registry, Computershare, electronically. In addition, contact details of the Company are included on the website for investors to email or telephone regarding any questions they may have.

Principle 7: Recognise and manage risk

Audit and Risk Committee

In its function as a Risk Committee, the Audit and Risk Committee assists the Board in fulfilling its corporate governance responsibilities with regard to oversight of the Company's risk management systems, practices and procedures.

Details of the Audit and Risk Committee are contained in the disclosure under Principle 4.

Risk management policy

The Company is committed to ensuring that:

- Its culture, processes and structures facilitate realisation of the Company's business objectives while material risks are identified, managed, monitored and wherever appropriate and possible, mitigated
- To the extent practicable, its systems of risk oversight, management and internal control comply with the ASX Recommendations

The Board determines the Company's risk profile and is responsible for overseeing and approving the Company's risk management strategy and policies, internal compliance and internal control.

The Board has delegated to the Audit and Risk Committee responsibility for implementing the risk management system and reporting to the Board.

The Company's process of risk management and internal compliance and control includes:

- Identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives and monitoring the environment for emerging factors and trends that affect these risks
- Formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls
- Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control

To this end, comprehensive practices are in place that are directed towards achieving the following objectives:

- Compliance with applicable laws and regulations
- Preparation of reliable published financial information
- Implementation of risk transfer strategies where appropriate, e.g. insurance

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report regularly to the Audit and Risk Committee.

During the financial year ended 30 June 2019, the Board (through the Audit and Risk Committee) conducted an annual review of the Company's risk management framework. Senior management has reported to the Board (through the Audit and Risk Committee) on the effectiveness of the management of the material risks faced by the

Company during FY2019. The Board and Audit and Risk Committee have assessed the need for the implementation of a strategic risk evaluation and risk management process and will commence the implementation during the FY2020.

Further detail regarding specific risks facing the Company is noted in the Directors' report.

Internal audit

Due to the size and current stage of development of the Company, the Board has not established an independent internal audit function. Oversight of the effectiveness of the Company's risk management and internal control processes currently form part of the responsibilities of the CFO (for financial risks and controls) and the CEO (for operational risks). The Board considers that during the reporting period, the abovementioned risk management and internal control processes were sufficient and effective. However, due to the significant growth of the Company during the last financial period and the expected increase in operations in the near future, the Audit and Risk Committee will consider the implementation of independent internal audit function during the FY2020. The internal audit function will be in support of the effective risk management process to be implemented during the same period.

Economic, environmental and social sustainability risks

Universal Coal has material exposures to economic, environmental and social sustainability risks which are further disclosed under the Strategic Report and the Sustainability Report both contained within the 2019 Annual Report. The exposures include sustainable development, safety and health, environmental management and socio-economic development.



Principle 8: Remunerate fairly and responsibly

Remuneration Committee

The Remuneration Committee is governed by the Remuneration Committee Charter. The composition of the Remuneration Committee is as set out above. Profiles of the members of the Remuneration Committee and meeting attendance information are set out in the Directors' Report in the Universal Coal Annual Report 2019.

The primary purpose of the Remuneration Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders
- Ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration
- Recommending to the Board the remuneration of executive Directors
- Fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market
- Reviewing the Company's recruitment, retention and termination policies and procedures for senior management
- Reviewing and approving the remuneration of direct reports to the CEO and as appropriate, other senior executives
- Reviewing and approving any equity based plans and other incentive schemes

Further details can be found in the Remuneration Committee's Charter.

For the majority of FY2019 (until the resignation of Andries Engelbrecht on 3 May 2019), the composition of the Remuneration Committee complied with the ASX Recommendations, except in relation to having a majority of independent Directors, being composed of:

- Four members
- All Non-executive Directors with equal numbers of independent Directors and Non-independent Directors
- A Chair who is an independent Director

As at the end of FY2019 and as at the date of this report, the composition does comply with the ASX Recommendations with the Remuneration Committee being composed of:

- Three members
- All Non-executive Directors with the majority of whom being independent Directors
- A Chair who is an independent Director and who is not the Chairman of the Board

Remuneration policy

Information on the Company's remuneration policies and practices is set out in the Remuneration Report in the Directors' Report set out in the 2019 Annual Report.

The remuneration of Non-executive Directors is a fixed annual fee. Non-executive Directors do not participate in other remuneration components such as performance related short-term or long-term incentives, options or variable remuneration and do not receive retirement benefits other than superannuation. Information relating to the remuneration of Non-executive Directors is disclosed in the Remuneration Report contained within the Directors' Report set out in the 2019 Annual Report.

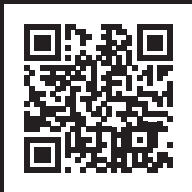
The Company does not currently have an employee share and option plan as part of rewards for performance.

Under the Securities Trading Policy, participants are not permitted to enter into transactions with securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements under any equity-based remuneration schemes awarded under any equity-based remuneration scheme currently in operation, or which will be offered by the Company in the future.

Conclusion

The Board is satisfied with its level of compliance and corporate governance requirements for the current stage of development and size of the Company. However, the Board recognises that processes, and procedures require continual monitoring and improvement and this will continue to occur.

The Board acknowledges that the ASX Corporate Governance Council has released a new fourth edition of its Corporate Governance Principles and Recommendations (4th Edition). The 4th Edition takes effect for a listed entity's first full financial year that commences on or after 1 January 2020. Entities with a 30 June balance date, such as Universal Coal, will be required to measure their governance practices against the new 4th Edition in its first financial year that falls within the period 1 July 2020 to 30 June 2021. The Board however, intends and is currently working towards updating its governance practices in relation to the period of 1 July 2019 to 30 June 2020.



www.universalcoal.com

AUSTRALIAN REGISTERED OFFICE

Level 12
680 George Street
Sydney, NSW, 2000
Australia
Telephone: +61 28 280 7355

OPERATIONAL OFFICE

467 Fehrsen Street
Brooklyn, 0182, Pretoria
South Africa
Telephone: +27 12 460 0805
Facsimile: +27 12 460 2417

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Universal Coal PLC

ABN / ARBN

143 750 038

Financial year ended:

30 June 2019

Our corporate governance statement² for the above period above can be found at:³

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These pages of our annual report:

This URL on our website:

<http://www.universalcoal.com/about-us/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 29 September 2019 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 29 September 2019

Name of Secretary authorising lodgement: Anna Sandham

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/ ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> Board Charter is available at this URL on our website: http://www.universalcoal.com/about-us/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website http://www.universalcoal.com/about-us/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> Board Charter is available at this URL on our website: http://www.universalcoal.com/about-us/corporate-governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement .</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> Diversity Policy which is available at this URL on our website: http://www.universalcoal.com/about-us/corporate-governance/</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement.</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/</p> <p>... and the information referred to in paragraph (b):</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement .</p> <p><input checked="" type="checkbox"/> at http://www.universalcoal.com/about-us/corporate-governance/</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement .</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix:	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement.</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement . <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/ ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> "I Directors' Report" contained within the Annual Report and is available at this URL on our website: http://www.universalcoal.com/investors/annual-reports/ and the length of service of each director: <input checked="" type="checkbox"/> "Directors' Report" contained within the Annual Report and is available at this URL on our website: www.universalcoal.com /investors/annual-reports/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation:	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement. <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> Audit and Risk Committee Charter which is available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p>Paragraph (b) is not applicable.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance .	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> Audit and Risk Committee Charter which is available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p>Paragraph (b) is not applicable.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance ... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement.	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement. <input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/us/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> Remuneration Committee Charter which is available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p>Paragraph (b) is not applicable.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement.</p> <p><input checked="" type="checkbox"/> available at this URL at our website: http://www.universalcoal.com/about-us/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>