

# Corporate governance

 In terms of the JSE Listings Requirements, all JSE-listed companies must comply with the King Code of Governance Principles for South Africa (King III Code).

Hulamin views the implementation of good corporate governance practices as integral to its business and recognises the need to conduct its business with openness, integrity and accountability.

Hulamin applies all the principles of the King III Code and the vast majority of the recommended practices of the King III Code.

A summary of how each principle is applied can be found at [www.hulamin.co.za](http://www.hulamin.co.za).

Hulamin will address compliance with King IV code during 2017.

## BOARD OF DIRECTORS

As set out in its charter, the board's objective is to provide responsible business leadership to the group with due regard to the interest of all stakeholders.

## COMPOSITION

Hulamin has a unitary board consisting of three executive directors and 12 non-executive directors, of whom nine are independent.

A vacancy of a non-executive director arose following the resignation of J B Magwaza on 30 April 2016.

Details of the directors are listed on page 62 and 63 and a brief résumé of each director is available at [www.hulamin.co.za](http://www.hulamin.co.za).

## APPOINTMENTS AND CHANGES TO THE BOARD

D A Austin resigned as Chief Financial Officer with effect from 30 April 2016 and A P Krull was appointed Chief Financial Officer with effect from 1 May 2016.

G Zondi was appointed as an alternate non-executive director to S P Ngwenya with effect from 1 May 2016.

The following independent non-executive director appointments were made in 2016 in terms of the board succession plan. N Maharajh was appointed with effect from 1 September 2016, C A Boles was appointed with effect from 1 October 2016 and Dr B Mehlomakulu was appointed with effect from 1 November 2016.

Appointments to the board of directors follow a formal and transparent process and are a matter for the board of directors as a whole, assisted by the Remuneration and Nomination Committee.

The board endeavours to ensure that it has the right balance of skills, experience, background, independence and business knowledge necessary to discharge its responsibilities. The board has adopted a policy on the promotion of gender diversity at board level which is taken into consideration by addressing the board succession plan. The remuneration and nomination committee strives to achieve the targets as set out in the policy.

Newly appointed directors are introduced to the group via a formal induction programme.

## BOARD PRACTICES

At board level there is a clear division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.

The roles of M E Mkwana as an independent non-executive Chairman and R G Jacob as the Chief Executive Officer are separate with a clear division of responsibilities, which are set out in the board charter.

## SUCCESSION PLANNING

The Chairman's Statement released on 21 April 2016 announced that, a number of Hulamin non-executive directors will reach the end of their tenure or retire in the coming months. The board commenced a succession review process and as part of a structured plan have appointed new non-executive directors. A board composition expert was appointed to assist the board in mapping the skills and experience necessary to meet the needs of the stakeholders, shareholders, the board and its committees. This process is anticipated to be completed in quarter one of 2017.

The appointment and performance of the Chairman are reviewed annually. The board and the Remuneration and Nomination Committee are responsible for the succession plan for the Chairman.

## BOARD COMMITTEES

AUDIT  
COMMITTEE

RISK AND  
SAFETY, HEALTH  
& ENVIRONMENT  
COMMITTEE

REMUNERATION  
AND NOMINATION  
COMMITTEE

TRANSFORMATION,  
SOCIAL AND  
ETHICS COMMITTEE

CHAIRMAN'S  
COMMITTEE



**ROTATION**

In accordance with the company's Memorandum of Incorporation, executive directors in addition to non-executive directors are subject to retirement by rotation at intervals of three years and may be re-elected at the annual general meeting at which they retire. Newly appointed directors hold office until the next annual general meeting at which they retire. The board charter requires non-executive directors who have served on the board for more than nine years to retire, except in exceptional circumstances. The appointment and removal of directors, as well as changes to the composition of the board, are based on the recommendation of the Remuneration and Nomination Committee. Non-executive directors are chosen for their business skills and expertise appropriate to the strategic direction of the company. There are no term contracts of service between any of the directors and the company or any of its subsidiaries.

**REMUNERATION AND EFFECTIVENESS EVALUATION**

Non-executive directors' remuneration is not linked to the group's financial performance.

In order to improve the board's effectiveness, evaluations of the board, individual directors, board committees and the Chairman are carried out annually. External evaluations are done when considered appropriate, typically on a bi-annual basis. Appropriate measures are taken to address any weaknesses highlighted through the evaluation process.

**RESPONSIBILITIES OF THE BOARD**

The board's key responsibilities are:

- Approve corporate strategy, including business plans and budgets and bring independent, informed and effective judgement and leadership to bear on the material decisions of the company
- Monitor management's implementation of the approved strategies
- Approve major acquisitions and disposals
- Oversight of the group's systems of internal control, governance, including that of information technology, and risk management
- Guiding the group's values, including principles of ethical business practice and the requirements of being a responsible corporate citizen
- Appointment of the Chairman and Chief Executive Officer, nomination of directors and review of directors' and senior management's remuneration, appointments and succession plan
- Approval of the authorities assigned to the board, its committees and management
- Ensure disputes are resolved as effectively, efficiently and expeditiously as possible
- Monitoring the relationship between management and stakeholders of the company.

The quorum for board meetings is a majority of the directors.

The board is supplied with all relevant information and has unrestricted access to the management of the group and all group information, which enables the directors to adequately discharge their responsibilities. All directors and board committees have full access to the Company Secretary and may, in appropriate circumstances, take independent professional advice at the company's expense.

The Company Secretary provides guidance and advice to the board and the group on governance matters and changes in legislation. All directors have access to the advice and services of the Company Secretary.

The responsibilities of the Company Secretary are described in detail in the board charter.

Directors' declarations of interests are tabled annually and additional or amended declarations of interests are circulated at every board meeting.

**BOARD COMMITTEES**

The board has delegated, through formal terms of reference, specific matters to a number of committees whose members and chairman are appointed by the board.

There is full disclosure of matters handled by the committees to the board.

The committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the group.

The board has an Audit Committee, a Risk and Safety, Health and Environment Committee, a Remuneration and Nomination Committee and a Transformation, Social and Ethics Committee. The board in 2016 also introduced a Chairman's Committee.

**GROUP EXECUTIVE COMMITTEES**

EXECUTIVE COMMITTEE

SAFETY, HEALTH & ENVIRONMENT COMMITTEE

RISK MANAGEMENT COMMITTEE

INFORMATION TECHNOLOGY (IT) MANAGEMENT COMMITTEE

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) COMMITTEE

# Corporate governance continued

## THE BOARD AT A GLANCE

	AGE	AUDIT	RISK AND SHE*	REMUNERATION AND NOMINATION	TRANSFORMATION, SOCIAL AND ETHICS	CHAIRMAN'S COMMITTEE
<b>Independent non-executive directors</b>						
M E Mkwanazi (Chairman)	62		Member	Member		
C A Boles <sup>2</sup>	47					Chairperson
L C Cele	63	Member			Chairperson	Member
T P Leeuw	53	Chairperson	Member			Member
N Maharajh <sup>1</sup>	50					
N N A Matyumza	53	Member		Chairperson		Member
Dr B Mehlomakulu <sup>3</sup>	44					
G H M Watson	65			Member		Member
P H Staude	63		Chairperson			Member
<b>Non-executive directors</b>						
V N Khumalo	54				Member	
J B Magwaza <sup>4</sup>	74			Member	Member	
G C Zondi (Alternate) <sup>5</sup>	43					
S P P Ngwenya	63				Member	
<b>Executive directors</b>						
R G Jacob (CEO)	51		Member		Member	
D A Austin <sup>4</sup>	59					
A P Krull <sup>6</sup>	42		Member			
M Z Mkhize	55		Member			

\* Safety, Health and Environment

# Attendance by invitation

<sup>1</sup> Appointed as director 1 September 2016

<sup>2</sup> Appointed as director 1 October 2016

<sup>3</sup> Appointed as director 1 November 2016

<sup>4</sup> Resigned 30 April 2016

<sup>5</sup> Appointed as an alternate director 1 May 2016

<sup>6</sup> Appointed as director 1 May 2016

**COMMITTEE ATTENDANCE REGISTER FOR THE YEAR ENDED 31 DECEMBER 2016**

	BOARD	AUDIT	RISK AND SHE*	REMUNERATION AND NOMINATION	TRANSFORMATION, SOCIAL AND ETHICS	CHAIRMAN'S COMMITTEE
<b>Independent non-executive</b>						
M E Mkwazi	5 of 5		3 of 3	6 of 6		3 of 3
C A Boles <sup>2</sup>	2 of 5	1 of 3 <sup>#</sup>				
L C Cele	5 of 5	2 of 3			2 of 2	3 of 3
T P Leeuw	5 of 5	3 of 3	3 of 3			3 of 3
N Maharajh <sup>1</sup>	2 of 5					
N N A Matyumza	5 of 5	2 of 3		6 of 6		3 of 3
Dr B Mehlomakulu <sup>3</sup>	1 of 5					
P H Staude	4 of 5		3 of 3			2 of 3
G H M Watson	5 of 5			6 of 6		3 of 3
<b>Non-executive</b>						
V N Khumalo	5 of 5	3 of 3 <sup>#</sup>			2 of 2	
J B Magwaza <sup>4</sup>	2 of 5			3 of 6	0 of 2	
S P Ngwenya	5 of 5				2 of 2	
G C Zondi <sup>5</sup>	0 of 5					
<b>Executive</b>						
R G Jacob (CEO)	5 of 5		3 of 3	6 of 6 <sup>#</sup>	2 of 2	3 of 3 <sup>#</sup>
D A Austin <sup>4</sup>	2 of 5	1 of 3 <sup>#</sup>	1 of 3		0 of 2 <sup>#</sup>	
A P Krull <sup>6</sup>	3 of 5	2 of 3 <sup>#</sup>	2 of 3		2 of 2 <sup>#</sup>	3 of 3 <sup>#</sup>
M Z Mkhize	5 of 5		3 of 3			

\* Safety, Health and Environment

<sup>#</sup> Attendance by invitation

<sup>1</sup> Appointed as director 1 September 2016

<sup>2</sup> Appointed as director 1 October 2016

<sup>3</sup> Appointed as director 1 November 2016

<sup>4</sup> Resigned 30 April 2016

<sup>5</sup> Appointed as an alternate director 1 May 2016

<sup>6</sup> Appointed as director 1 May 2016

# Corporate governance continued

## BOARD COMMITTEES

### AUDIT COMMITTEE

#### CORE RESPONSIBILITIES

The responsibilities of the committee and details of the execution of the duties of the committee during the year under review are set out in the Report of the Audit Committee on pages 90 to 91.

#### CHAIRMAN

T P Leeuw (independent non-executive)

#### COMPOSITION

##### INDEPENDENT NON-EXECUTIVE DIRECTORS

N N A Matyumza

L C Cele

N Maharajh appointed with effect from 1 February 2017

*Note: The members were re-elected at the annual general meeting held in April 2016.*

#### FREQUENCY OF SCHEDULED MEETINGS

Three meetings per annum

#### INVITEES

D A Austin (CFO)<sup>1</sup>

A P Krull (CFO)<sup>2</sup>

C A Boles (independent non-executive director) with effect from 1 February 2017

V N Khumalo (non-executive director)

Representatives of internal and external auditors

A Peticrew (Financial Manager responsible for internal audit)

#### SECRETARY

W Fitchat (Company Secretary)

### RISK AND SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

#### CORE RESPONSIBILITIES

The responsibilities of the committee are set out in written terms of reference. These terms of reference and the company's risk appetite statement were adopted by the board. The Risk and SHE\* Committee's key responsibilities are:

- Overseeing and monitoring the development and implementation of a risk management framework, policy, strategy and plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within Hulamini
- Recommend levels of tolerance and appetite for risk to the board
- Report to the board information relevant to risk management and procure independent assurance regarding the effectiveness of the risk management process
- Oversee and monitor the implementation of safety, health and environment policies, strategies, targets, plans and systems and review the safety, health and environment risk profile

#### CHAIRMAN

P H Staude (independent non-executive)

#### COMPOSITION

##### INDEPENDENT NON-EXECUTIVE DIRECTORS

M E Mkwanzazi

T P Leeuw

G H M Watson with effect from 1 February 2017

##### EXECUTIVE DIRECTORS

R G Jacob

M Z Mkhize

D A Austin<sup>1</sup>

A P Krull<sup>2</sup>

#### FREQUENCY OF SCHEDULED MEETINGS

Three meetings per annum

#### INVITEES

FB Bradford (Group Executive: Metals)

HT Molale (Managing Director: Hulamini Extrusions)

BA Mngadi (Group Executive: Corporate Affairs)

I Smith (Strategic Project Manager)

DR Weisz (Group Executive: Sales, marketing and market development)

D Cantieni (Manufacturing support)<sup>3</sup>

#### SECRETARY

W Fitchat (Company Secretary)

\* Safety, Health and Environment

<sup>1</sup> Resigned 30 April 2016

<sup>2</sup> Appointed 1 May 2016

<sup>3</sup> Resigned 31 January 2016

## REMUNERATION AND NOMINATION COMMITTEE

### CORE RESPONSIBILITIES

The responsibilities of the committee are set out in written terms of reference, which are reviewed periodically.

The Remuneration and Nomination Committee's key responsibilities are:

- Formulation of employment and reward strategies to attract and retain executives and senior management
- Recommend to the board the remuneration of directors and senior management
- Recommend to the board changes in the composition of the board and the appointment and removal of directors

The Chairman of the board serves as chairman of the committee for nomination matters.

### CHAIRMAN

N N A Matyumza (independent non-executive)

### COMPOSITION

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

C A Boles with effect from 1 February 2017  
M E Mkwanazi (Chairman of Nomination agenda items)  
G H M Watson

#### NON-EXECUTIVE DIRECTORS

J B Magwaza<sup>1</sup>

The nomination of board members to be considered at the annual general meeting of shareholders is the responsibility of the board.

### FREQUENCY OF SCHEDULED MEETINGS

Four meetings per annum

### INVITEES

R G Jacob (CEO)  
MA Janneker (Group Executive: Human capital)

### SECRETARY

W Fitchat (Company Secretary)

## TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE

### CORE RESPONSIBILITIES

The responsibilities of the committee are set out in written terms of reference, which are reviewed periodically.

The Transformation, Social and Ethics Committee's key responsibilities are:

- Recommend to the board the strategies and policies to be adopted to ensure the group's Transformation, Social and Ethics targets are achieved
- Align the group's Transformation, Social and Ethics strategy with its overall business strategy
- Monitor the implementation and efficacy of the employment equity, black management development, black equity ownership, preferential procurement, skills and enterprise development and socio-economic initiatives of the group
- Monitor activities relevant to social and economic development, good corporate citizenship, environment, health and safety and consumer relationships
- Review policies and statements on ethical standards and on whistle-blowing

### CHAIRMAN

L C Cele (independent non-executive)

### COMPOSITION

#### NON-EXECUTIVE DIRECTORS

J B Magwaza<sup>1</sup>  
S P Ngwenya  
V N Khumalo

#### EXECUTIVE DIRECTORS

R G Jacob

#### GROUP EXECUTIVES

BA Mngadi  
MA Janneker

### INVITEES

D A Austin (CFO)<sup>1</sup>  
A P Krull (CFO)<sup>2</sup>

### FREQUENCY OF SCHEDULED MEETINGS

Two meetings per annum

### SECRETARY

W Fitchat (Company Secretary)

<sup>1</sup> Resigned 30 April 2016

<sup>2</sup> Appointed 1 May 2016

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## CHAIRMAN'S COMMITTEE

### CORE RESPONSIBILITIES

The responsibilities of the committee are set out in written terms of reference, which are reviewed periodically.

The Chairman's Committee key responsibilities are:

- Address matters relating to governance or relationships/dynamics within the board
- Progress specific strategic projects

### CHAIRMAN

M E Mkwanazi (independent non-executive)

### COMPOSITION

#### NON-EXECUTIVE DIRECTORS

L C Cele  
T P Leeuw  
N N A Matyumza  
P H Staude  
G H M Watson

### INVITEES

R G Jacob (CEO)  
A P Krull (CFO)<sup>2</sup>

### FREQUENCY OF SCHEDULED MEETINGS

As and when required

### SECRETARY

W Fitchat (Company Secretary)

## GROUP EXECUTIVE COMMITTEES

The group has a number of executive committees consisting of executive directors and other senior executives, with formal terms of reference approved by the board.

## EXECUTIVE COMMITTEE

### CORE RESPONSIBILITIES

The objective of the committee is to assist Hulamini's board in discharging its responsibilities, while acting within the parameters of the authority limits agreed by the board. The responsibilities of the committee are set out in written terms of reference, which are reviewed from time to time.

The Executive Committee's key responsibilities are:

- Recommend the business strategy, business plans and budgets to be adopted by the group
- Manage the implementation and execution of business strategies and plans approved by the board
- Recommend major acquisitions and disposals as part of the group's business strategy
- Ensure the group's systems of internal control, governance (including that of information technology) and risk management are both robust and well managed
- Implement the approved authorities matrix managed within the organisation and approve the appointment of senior managers and the members of the group's other executive committees
- Approve the capital expenditure plans of the group, within the budget approved by the board

### CHAIRMAN

R G Jacob

### COMPOSITION

The Executive Committee consists of the executive directors and other senior executives.

The current members are:

D A Austin<sup>1</sup>  
F B Bradford  
C Fisher<sup>4</sup>  
M A Janneker  
A P Krull<sup>2</sup>  
M Z Mkhize  
B A Mngadi<sup>3</sup>  
H T Molale  
D R Weisz

### FREQUENCY OF SCHEDULED MEETINGS

11 meetings per annum

### SECRETARY

W Fitchat (Company Secretary)

<sup>1</sup> Resigned 30 April 2016

<sup>2</sup> Appointed 1 May 2016

<sup>3</sup> Appointed 1 June 2016

<sup>4</sup> Appointed 1 January 2017



**BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) COMMITTEE**

**CORE RESPONSIBILITIES**

The Hulamin B-BBEE Committee reports to the Transformation, Social and Ethics Committee on the six elements of the B-BBEE scorecard, which are: ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio-economic development.

The B-BBEE Committee’s key responsibilities are:

- To provide strategic direction with regard to Hulamin’s overall B-BBEE strategy
- Align Hulamin’s B-BBEE strategy with the overall business strategy of the company
- Monitor and review B-BBEE progress within Hulamin
- Provide the mandate for the setting of targets for the various B-BBEE elements
- Development of appropriate strategies and processes for the achievement of B-BBEE targets
- Review the progress towards the achievement of the B-BBEE targets and provide direction where challenges are experienced
- Ensure the appropriate communication of the company’s B-BBEE strategy and the implementation thereof
- Create a platform for sharing B-BBEE information and relevant experiences from which we can learn
- Review the company’s compliance with employment legislation and regulatory requirements, e.g. the Employment Equity Act, Black Economic Empowerment Act
- Report to the Transformation, Social and Ethics Committee

**CHAIRMAN**

R G Jacob

**COMPOSITION**

- D A Austin<sup>1</sup>
- FB Bradford
- H de Villiers
- MA Janneker
- N Kanyile
- A P Krull<sup>2</sup>
- M Z Mkhize
- AK Randles
- M Reddy
- MW Webb
- DR Weisz

**FREQUENCY OF SCHEDULED MEETINGS**

Four meetings per annum

**SECRETARY**

N Mkhize (Organisational Development Manager)

**RISK MANAGEMENT COMMITTEE**

**CORE RESPONSIBILITIES**

While the board is ultimately accountable for risk management through the Risk and SHE\* Committee, the implementation of the group’s risk management policies and systems of internal control is an integral part of management of the group’s operations.

The Risk Management Committee’s key responsibilities are:

- Recommend to the Risk and SHE\* Committee the risk management strategies and policies of the group
- Review the integrity and appropriateness of the group’s systems of risk assessment and management
- Identify new or emerging risks related to all aspects of the business, including financial, operational and compliance risks
- Monitor risk reduction actions
- Review the internal controls that have been implemented to manage significant risks, and the assurance provided in respect of those controls
- Report on its activities to the Risk and SHE\* Committee

**CHAIRMAN**

- D A Austin<sup>1</sup>
- A P Krull<sup>2</sup>

**COMPOSITION**

- FB Bradford
- C Fisher
- R G Jacob
- MA Janneker
- M Z Mkhize
- HT Molale
- BA Mngadi
- A Petticrew
- I Smith
- DR Weisz

**FREQUENCY OF SCHEDULED MEETINGS**

Three meetings per annum

**SECRETARY**

W Fitchat (Company Secretary)

\* Safety, Health and Environment

<sup>1</sup> Resigned 30 April 2016

<sup>2</sup> Appointed 1 May 2016

# Corporate governance continued

## INFORMATION TECHNOLOGY (IT) MANAGEMENT COMMITTEE

### CORE RESPONSIBILITIES

The IT Management Committee's key responsibilities are:

- Ensure that an IT governance charter and policies are established and implemented
- Promote an ethical IT governance and management culture
- Provide leadership and direction to ensure that the IT function achieves, sustains and enhances the company's strategic objectives
- Ensure that an IT governance framework is adopted and implemented and that the board via the Audit Committee receives independent assurance on the effectiveness thereof
- Ensure that the IT strategy is integrated within the company's strategic and business processes
- Ensure there is a robust process in place to identify and exploit appropriate opportunities to improve the performance and sustainability of the company
- Oversee management who is responsible for the implementation of all the structures, processes and mechanisms to execute the IT governance framework
- Ensure the company obtains independent assurance on the governance of IT, and that adequate controls are in place for outsourcing IT services
- Ensure IT legal risks are addressed
- Ensure that there are systems in place for the management of information assets
- Ensure that the information security strategy is successfully implemented
- Ensure appropriate reporting to the Executive Committee and to board committees

### CHAIRMAN

D A Austin<sup>1</sup>  
A P Krull<sup>2</sup> (Effective June 2016)

### COMPOSITION

FB Bradford  
H de Villiers  
C Fisher  
T Hawkins  
Y Moodley  
A Petticrew  
M Reddy  
I Smith  
L Steenkamp  
M Webb (Effective December 2016)

### FREQUENCY OF SCHEDULED MEETINGS

Six meetings per annum

### SECRETARY

D Seager (Senior IT Manager)

## SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

### CORE RESPONSIBILITIES

The Safety, Health and Environment Committee's key responsibilities are:

- Review SHE\* performance
- Review major SHE\* risks
- Monitor actions to reduce SHE\*-related risks
- Identify new or emerging risks related to SHE\*
- Review of the internal controls to manage SHE\* risks
- Report to the Risk and SHE\* Committee

### CHAIRMAN

FB Bradford

### COMPOSITION

D A Austin<sup>1</sup>  
R G Jacob  
H de Villiers  
R Green-Thompson  
P Grobler  
D Jackson  
MA Janneker  
A P Krull<sup>2</sup>  
P M Lancaster  
M Z Mkhize  
BA Mngadi  
HT Molale  
M Ramdeen  
M Reddy  
DR Weisz

### FREQUENCY OF SCHEDULED MEETINGS

Three meetings per annum

### SECRETARY

D Jackson  
(Chemist and Environmental Specialist)

\* Safety, Health and Environment

<sup>1</sup> Resigned 30 April 2016

<sup>2</sup> Appointed 1 May 2016



**COMPANY SECRETARY**

The board is satisfied that the Company Secretary is appropriately qualified, competent and experienced for his position in a listed company, which was considered at the December 2016 board meeting. Hulamin’s Company Secretary plays a pivotal role in the continuing effectiveness of the board, ensuring that all directors have full and timely access to information that helps them to perform their duties and obligations, and enables the board to function effectively.

The Company Secretary’s key duties with regard to the directors include, but are not limited to, the following:

- Collating and distributing relevant information, such as board meeting agenda items, and board/ committee meeting papers, corporate announcements, investor communications and any other developments affecting the Hulamin group
- Providing guidance to the directors on their individual and collective powers and duties
- Inducting new directors together with the company’s sponsor. This includes a briefing of their fiduciary and statutory duties and responsibilities, including those arising from the JSE Listings Requirements
- Providing regular updates on changes to laws and regulations affecting the Hulamin group
- The Company Secretary is responsible for the functions specified in section 88 of the Companies Act, 2008 (as amended). All meetings of shareholders, directors and board committees are properly recorded as per the requirements of the Act

The Company Secretary is not a director of any of the Hulamin group operations, nor is he related to or connected with any of the directors which could result in a conflict of interest and accordingly it is concluded that an arm’s length relationship with the board and its directors is maintained. The Company Secretary reports to the Chief Financial Officer and has a direct channel of communication to the Chief Executive Officer and to the Chairman. The removal of the Company Secretary would be a matter for the board as a whole.

**STAKEHOLDER RELATIONSHIPS**

Hulamin subscribes to the principles on stakeholder management expressed in the King III Code. Management has developed a strategy and formulated policies for the management of relationships with each stakeholder grouping, and an integrated approach to stakeholder management within the group is adopted to strive for consistency and balance in treatment across stakeholder categories.

The group communicates its strategy, performance and vision through regular presentations to investors, analysts, employees and other stakeholders.

In addition, management regularly meets with investors and institutional stakeholders on a one-on-one basis.

The group website (www.hulamin.co.za) is also used for this purpose. Hulamin invites all shareholders to attend its annual general meeting and also facilitates participation by way of focused proxy solicitation.

Hulamin strives to resolve disputes with its stakeholders effectively and expeditiously. Hulamin has a preference to settle disputes rather than to litigate and uses alternative dispute resolution mechanisms whenever appropriate.

**ACCESS TO INFORMATION**

Hulamin complies with the requirements of the Promotion of Access to Information Act, 2000. Details are available on Hulamin’s website.

During 2016, the Hulamin group received no requests for access to a record under the Promotion of Access to Information Act, 2000.

**CODE OF ETHICS**

The group’s Code of Ethics requires all directors and employees to be committed to fair dealing, honesty and integrity in the conduct of its business and also outlines the group’s position on gifts and entertainment. The Code of Ethics has been actively endorsed by the board and distributed to all employees in the group. The Code is designed to raise ethical awareness, act as a guide in day-to-day decisions and to assure customers and other stakeholders of the group’s commitment to ethical behaviour.

An important element of the induction process is to communicate to new employees the Code of Ethics, the group’s core values and its compliance procedures.

Compliance by all employees with the high moral, ethical and legal standards of the Code is mandatory, and if employees become aware of, or suspect, a contravention of the Code, they must promptly and confidentially report it in the prescribed manner.

Appropriate action has been taken in respect of all reported instances of non-compliance with the Code by employees.

**POLITICAL DONATIONS**

Hulamin does not contribute any funding to political parties, their elected representatives or persons seeking political office.

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## WHISTLE-BLOWING

Hulamin has an established whistle-blowing policy and has an anonymous reporting facility (the Hulamin Vuvuzela Fraud and Ethics Line), enabling employees and other stakeholders to report fraudulent, corrupt or unethical behaviour related to any of the group's activities, without fear of victimisation and retribution. Anonymity is guaranteed and the facility is managed in compliance with the Protected Disclosures Act, No 26 of 2000.

Contact details of the Vuvuzela Fraud and Ethics Lines are as follows:  
Toll-free number: 080 225 5 688

Toll free facsimile: 080 000 7788

E-mail: [Hulamin@tip-offs.com](mailto:Hulamin@tip-offs.com)

Website: [www.tip-offs.com](http://www.tip-offs.com)

All fraud and theft matters are reported to the Audit Committee. There were no significant frauds or thefts during the period under review.

## PRICE-SENSITIVE INFORMATION

No director, officer or employee may deal either directly or indirectly in the company's shares on the basis of unpublished price-sensitive information regarding the company's business or affairs. In addition, no director, officer or employee in possession of price-sensitive information may trade in the company's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the company is under a cautionary announcement.

## COMPLIANCE FRAMEWORK

Hulamin's compliance framework rests on the company's comprehensive set of policies in this respect. These are updated to reflect governance best practice and the changing legal environment. All Hulamin group companies and employees are obliged to comply with these policies.

Non-compliance risks are reviewed by the Risk Management Committee.

No judgement, damages, penalties or fines were recorded and/or levied against any group company, directors or employees during the period under review for non-compliance with any legislation.



Refer to our website at [www.hulamin.co.za](http://www.hulamin.co.za) for more detail on the group's corporate governance.