

# NOTICE OF ANNUAL GENERAL MEETING

## HULAMIN LIMITED

Incorporated in the Republic of South Africa

Registration number: 1940/013924/06

Share code: HLM

ISIN: ZAE000096210

("Hulamin" or "the company" or "the group")

Notice is hereby given that the 78th annual general meeting of shareholders will be held at the company's offices, Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal on Thursday, 26 April 2018 at 15:00, to conduct the business set out below and to consider and, if deemed fit, adopt, with or without modification, the ordinary and special resolutions set out in this notice. Note that all special resolutions, in terms of the Companies Act, No 71 of 2008, as amended ("the Companies Act"), require 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at this meeting, to be cast in favour of the resolution for it to be adopted and all other resolutions require the support of the majority being more than 50% (fifty percent) of votes cast by shareholders present or represented at this meeting in order for them to be adopted, unless otherwise noted.

## ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the company for the year ended 31 December 2017, including the reports of the directors, the independent auditors and the Audit Committee will be presented at the meeting. The annual financial statements are set out on pages 112 to 174 of the 2017 Integrated Annual Report of which this notice forms part and copies have been distributed to relevant shareholders. The 2017 Integrated Annual Report is available on the company's website, [www.hulamin.co.za](http://www.hulamin.co.za).

## PROPOSED ORDINARY RESOLUTIONS

1. To authorise the directors to appoint Ernst & Young as the independent registered auditors of the company who will undertake the audit for the company for the ensuing year, with Mr Sifiso Sithebe as the individual designated auditor of the company.

The group Audit Committee has recommended their appointment as independent registered auditors of the company.

2. To re-elect the following directors who retire in accordance with Article 33.11 of the company's Memorandum of Incorporation and who, all being eligible, offer themselves for re-election. Motions for re-election will be moved individually (Ms NNA Matyumza, Mr SP Ngwenya, Mr RG Jacob, Mr VN Khumalo and Mr PH Staudé). The profiles of the directors up for re-election appear below.

### 2.1 NOMGANDO NOMALUNGELO ANGELINA MATYUMZA (54)

- Independent non-executive director
- Chairman of the Remuneration and Nomination Committee, and a member of the Audit Committee
- Ordained Minister of Religion
- BCom; BCompt (Hons); CA(SA); LLB

Nomgando has held various positions in financial and general management and was employed between 1994 and 2004 at Transnet Pipelines, firstly as financial manager and then as deputy CEO. From 2004 to 2008 she was employed at Eskom Distribution as general manager for the Eastern Region. Nomgando is presently an ordained Minister of the African Methodist Episcopal Church at Umlazi, KwaZulu-Natal. She is a director on a number of boards, including SASOL Limited, and Standard Bank Group Limited. She was appointed to the Hulamin Board with effect from 1 March 2010.

### 2.2 SIBUSISO PETER-PAUL NGWENYA (64)

- Non-executive director
- Member of the Transformation, Social and Ethics Committee
- Executive chairman: Makana Investment Corporation
- BCom (Hons)

Following his release from Robben Island in 1991, Peter-Paul joined Engen and later South African Breweries. In 1997 he joined Makana Trust, where he is a founding trustee and former chairman. He later co-founded Makana Investment Corporation of which he is the current executive chairman. He is also the chairman of South African Airlink, Heart 104.9 and Igagasi 99.5 radio stations and Sebenza Forwarding and Shipping Consultancy. He was appointed to the Hulamin Board in 2007 as an alternate to Johannes Bhekumuzi Magwaza and a full director of Hulamin in October 2009.

### 2.3 RICHARD GORDON JACOB (52)

- Chief Executive Officer
- Member of the Risk and SHE Committee; and a member of the Transformation, Social and Ethics Committee
- BSc (Engineering); MBA

After graduating with a BSc Engineering from the University of Cape Town and following a brief period as an officer in the South African Navy, Richard joined Hulamin in 1990 as an Industrial Engineer. In 1992 he was appointed Manager, Coil Coating Operation, followed by Market and Business Development Manager in 1996. In 2002, Richard was appointed to the Executive Committee and board of Hulett Aluminium, responsible for Coated Products, communication and investor relations. Richard was appointed to the Board of Hulamin in 2007 and as Chief Executive Officer in July 2010.

**2.4 VUSI NOEL KHUMALO (55)**

- Non-executive director
- Chairman of the Transformation, Social and Ethics Committee; and a member of the Chairman's Committee
- Senior manager: Industrial Development Corporation of SA Limited
- BCom; BCompt (Hons); CA(SA); Global Executive Development Programme

Vusi, a senior manager at Industrial Development Corporation of South Africa Limited, is responsible for managing IDC's investment portfolio. He served articles at Ernst & Young and has held various financial management positions in Anglo American Corporation of South Africa Limited and Edcon Limited. He is also a non-executive director of Ernani Investments (Pty) Limited. He was appointed to the Hulett Aluminium board in 2006 and to the Board of Hulamin in 2007.

**2.5 PETER HEINZ STAUDE (64)**

- Independent non-executive director
- Chairman of the Risk and SHE Committee; and a member of the Chairman's Committee
- Chief Executive Officer: Tongaat Hulett Limited
- BSc (Ind Eng) (Hons) (*cum laude*); MBA

Peter lectured at the University of Pretoria before joining Hulett Aluminium in 1978. In 1990 he became Managing Director of Hulett Aluminium Rolled Products and in 1996 Managing Director of Hulett Aluminium. He was appointed Chief Executive Officer of Tongaat Hulett in 2002. Peter was chairman of the Hulett Aluminium board from 2002 to 2007 and he was appointed to the Board of Hulamin in 2007. He is also the former chairman of Trade and Investment KwaZulu-Natal.

3. To ratify the appointment by the Board of the following additional directors with effect from 1 April 2017 in accordance with Article 33.9 of the company's Memorandum of Incorporation. Motions for ratification of appointment will be moved individually (Ms AT Nzimande and Mr RL Larson). The profiles of the directors appear below.

**3.1 AMANDA TANDIWE NZIMANDE (47)**

- Non-executive director
- Member of the Transformation, Social and Ethics Committee
- CA(SA), Higher Diploma in Company Law

Tandi Nzimande, a chartered accountant, has had a varied career, spanning corporate finance at Deutsche Securities, to running her own small business, sitting on various boards, and until 2016, being CFO at WDB Investment Holdings. Tandi serves on the FirstRand and Verimark boards. Tandi is also a trustee of the FirstRand Foundation and of the Hollard Foundation Trust (HFT) and also sits on the boards of Harambee, and the KYB ECD Incubator, both programmes of the HFT.

**3.2 ROBERT LENNARD LARSON (62)**

- Non-executive director
- BA, MS

During a career that spanned nearly 40 years, Bob most recently served as CEO of Novipax LLC, the leading producer of absorbent pads and expanded polystyrene foam trays in North America. In addition to his role as CEO of Novipax, Bob served as an Operating Partner of Atlas Holdings LLC and was instrumental in the private equity firm's acquisition of Alcoa's aluminium rolled products business in Europe in 2014. Prior to joining Novipax, Bob spent nearly six years with The Rank Group Limited, a private investment firm based in New Zealand. Before Rank, Bob enjoyed a successful career with Alcoa.

4. To elect the following independent non-executive directors as members of the group Audit Committee and to appoint Mr N Maharajh as chairman of the group Audit Committee. Motions for election will be moved individually.

**4.1 MR N MAHARAJH (CHAIRMAN)****4.2 MR CA BOLES****4.3 MS NNA MATYUMZA (SUBJECT TO THE ADOPTION OF 2.1 ABOVE)**

The profiles of the directors eligible for re-election and election other than for Ms NNA Matyumza (whose profile appears under item 2.1 above) appear below:

**4.4 NARAN MAHARAJH (51)**

- Independent non-executive director
- Member of the Audit Committee
- Director of BCA Inc.
- CA(SA)

Naran is a practicing chartered accountant and a director of BCA Inc. He completed his training with PwC. He was then appointed as a lecturer in the department of Accountancy at the University of KwaZulu-Natal. He was one of the founding partners of KMMT Brey. In 1999 the firm merged with KPMG and Naran was appointed as a director of KPMG. In 2007 he left KPMG to set up BCA Inc – a firm specialising in providing audit, accounting and business advisory services. He currently serves as a director of Comair Limited. He is also a member of the Council of the University of KwaZulu-Natal and chairman of the Audit Committee of the South African Sugar Association. He has previously served as non-executive director of Mercedes-Benz South Africa Limited and Masonite Africa Limited. He was appointed to the Hulamin Board on 1 September 2016.

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### 4.5 CHARLES ALEXANDER BOLES (48)

- Independent non-executive director
- Member of the Remuneration and Nomination Committee
- CA(SA); Higher Diploma in Taxation; Higher Diploma in Company Law; MBA (*cum laude*)

Charles was formerly a partner at Price Waterhouse in the Corporate Finance division. He then worked for Investec Bank Limited before establishing his own business, Titanium Capital. He has a depth of experience in finance, investments and private equity. Charles was appointed to the HulamIn Board on 1 October 2016.

**Note:** Ages quoted for all Board members are at 31 December 2017.

### 5. APPROVAL OF THE PROPOSED EQUITY-SETTLED CONDITIONS SHARE PLAN

The company proposes adopting a new share plan, namely the HulamIn Limited Equity-Settled Conditional Share Plan ("ECSP"), which has been reviewed and approved by the JSE, in order to replace the existing Share Appreciation Right Scheme 2007, the Long Term Incentive Plan 2007 and the Deferred Bonus Plan 2007 schemes, which have failed to meet the objectives of aligning management interests with those of the shareholders, and lost their retention value to participants. A brief summary of the salient features of the proposed ECSP is included in the notice as Annexure B.

"Resolved that the company's Equity-Settled Conditional Share Plan "ECSP", a copy of which will be initialled by the Chairman of the Annual General Meeting for purposes of identification and tabled at the Annual General Meeting, the salient features of which are set out in Annexure B of this Notice of AGM, be and is hereby approved and that the directors of the company be and are hereby authorised to take all such steps as may be necessary for the establishment and carrying into effect of the ECSP."

## PROPOSED SPECIAL RESOLUTIONS

### 6. APPROVAL OF NON-EXECUTIVE DIRECTORS' FEES

Directors' fees were approved at the annual general meeting held on 26 April 2017 and are applicable for the 12-month period ending 31 July 2018.

The Board, on the recommendation of the Remuneration and Nomination Committee, proposes that the directors' fees for the period commencing 1 August 2018, be as set out below.

	Present fees to 31 July 2018		Proposed fees from 1 August 2019	
	Retainer per annum R	Attendance per meeting R	Retainer per annum R	Attendance per meeting R
<b>HulamIn Board</b>				
Chairman	430 980	36 940	<b>454 680</b>	<b>38 970</b>
Non-executive directors	157 480	13 500	<b>166 140</b>	<b>14 240</b>
<b>Audit Committee</b>				
Chairman	113 340	16 190	<b>119 570</b>	<b>17 080</b>
Non-executive directors				
– member	65 860	9 410	<b>69 480</b>	<b>9 930</b>
– invitee	–	9 410	–	<b>9 930</b>
<b>Risk and Safety, Health and Environment Committee</b>				
Chairman	78 260	11 180	<b>82 560</b>	<b>11 790</b>
Non-executive directors				
– member	42 950	6 140	<b>45 310</b>	<b>6 480</b>
– invitee	–	6 140	–	<b>6 480</b>
<b>Remuneration and Nomination Committee</b>				
Chairman	78 260	11 180	<b>82 560</b>	<b>11 790</b>
Non-executive directors				
– member	42 950	6 140	<b>45 310</b>	<b>6 480</b>
– invitee	–	6 140	–	<b>6 480</b>
<b>Transformation, Social and Ethics Committee</b>				
Chairman	78 260	11 180	<b>82 560</b>	<b>11 790</b>
Non-executive directors				
– member	42 950	6 140	<b>45 310</b>	<b>6 480</b>
– invitee	–	6 140	–	<b>6 480</b>
<b>Ad Hoc Board Committee (For example Chairman's Committee)</b>				
Chairman	78 260	11 180	<b>82 560</b>	<b>11 790</b>
Non-executive directors				
– member	42 950	6 140	<b>45 310</b>	<b>6 480</b>
– invitee	–	6 140	–	<b>6 480</b>
<b>HulamIn Board – International directors</b>				
Non-executive directors	(€)	30 522	2 615	<b>30 797</b>
Non-executive directors	(\$)	30 522	2 615	<b>31 163</b>

**SPECIAL RESOLUTION NUMBER 1**

"Resolved as a special resolution that the proposed fees, set out above, payable to non-executive directors for their services as directors on the Board and on Board Committees and as invitees to board committees, when invited by the chairman of the Board Committee to attend a meeting as an invitee, for the 12-month period commencing 1 August 2018, be and are hereby approved."

As regards the attendance fee, the Board of Directors typically holds five meetings a year and there are normally three meetings for the Remuneration and Nomination Committee a year and three meetings for each of the other sub-committees of the Board.

Shareholder approval is also requested to remunerate non-executive directors who participate in a specially constituted ad hoc Board sub-committee as detailed in the table above, and to remunerate non-executive directors who attend a board sub-committee meeting as an invitee at the request of the chairman of the Board sub-committee.

**7. AMENDMENTS OF MEMORANDUM OF INCORPORATION ("MOI")****7.1 PROXIES**

A recent judgement of the Supreme Court of Appeal (Barry v Clearwater Estates NPC & Others 2017 (3) SA 364) ruled that a proxy may be delivered to the company "at any time" as provided in section 58(1) of the Companies Act and that a time limit which renders a proxy instrument invalid if delivered late, is void.

In light of this judgement, it is necessary to amend clause 31.6 of the company's Memorandum of Incorporation which currently requires that a copy of the instrument appointing a proxy must be delivered to the company not less than 48 (forty-eight) hours before the commencement of the meeting at which the proxy is intended to be used.

**SPECIAL RESOLUTION NUMBER 2.1**

"Resolved as a special resolution that clause 31.6 of the company's Memorandum of Incorporation be and is hereby substituted with the following clause:

"A copy of the instrument appointing a proxy must be delivered to the recipient named in the notice of the meeting before the commencement of the meeting at which the proxy is intended to be used."

**7.2 AMENDMENTS TO SCHEDULE B – RIGHTS, LIMITATIONS AND OTHER TERMS OF A1, A2, B1, B2 AND B3 ORDINARY SHARES**

In 2015 when shareholders adopted Hulamin's revised MOI incorporating Schedule B which sets out the terms of the new A and B ordinary shares, the completion date as defined in the MOI had not yet occurred, as shareholders' approval was one of the conditions precedent. The value of the caps on the A and B ordinary shares could only be determined on completion date, following the fulfilment of all conditions precedent. Since completion date the value of the caps were determined by Hulamin's appointed valuation advisor, and hence the changes proposed below.

The Board has proposed the following amendments to items 2.7, 3.7 and 4.7 of Schedule B of the company's Memorandum of Incorporation (Terms of A1, A2, B1, B2 and B3 Ordinary Shares).

- 7.2.1 In paragraph 2.7, the description of the "P1" component of the formula is amended by deleting the words "or if the company's ordinary shares are no longer trading on the JSE, the market value of the shares determined in accordance with Appendix A to this Schedule B" so that this reads as follows:
- "P1 = R5.83 (VWAP during the 30 JSE trading days preceding the Completion Date);".
- 7.2.2 In paragraph 2.7, the reference to "Appendix A" in the P2 component of the formula is substituted with a reference to "Appendix 1".
- 7.2.3 In paragraph 2.7, the description of the "C" component of the formula is deleted in its entirety and replaced with the following:
- "C = R11.96."
- 7.2.4 In paragraphs 3.7 and 4.7, the description of the "P1" component of the formula is amended by deleting the words "or if the company's ordinary shares are no longer trading on the JSE, the market value of the shares determined in accordance with Appendix 1 to this Schedule B" so that this reads as follows:
- "P1 = R5.83 (VWAP during the 30 JSE trading days preceding the Completion Date);".
- 7.2.5 In paragraphs 3.7 and 4.7, the description of the "C" component of the formula is deleted in its entirety and replaced with the following:
- "C = R8.10;"

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## **SPECIAL RESOLUTION NUMBER 2.2**

"Resolved as a special resolution that the following amendments to Schedule B to the company's Memorandum of Incorporation be and are hereby authorised:

2.2.1 In paragraph 2.7, the description of the "P1" component of the formula is amended by deleting the words "or if the company's ordinary shares are no longer trading on the JSE, the market value of the shares determined in accordance with Appendix A to this Schedule B" so that this reads as follows:

"P1 = R5.83 (VWAP during the 30 JSE trading days preceding the Completion Date);".

2.2.2 In paragraph 2.7, the reference to "Appendix A" in the P2 component of the formula is substituted with a reference to "Appendix 1".

2.2.3 In paragraph 2.7, the description of the "C" component of the formula is deleted in its entirety and replaced with the following:

"C = R11.96."

2.2.4 In paragraphs 3.7 and 4.7, the description of the "P1" component of the formula is amended by deleting the words "or if the company's ordinary shares are no longer trading on the JSE, the market value of the shares determined in accordance with Appendix 1 to this Schedule B" so that this reads as follows:

"P1 = R5.83 (VWAP during the 30 JSE trading days preceding the Completion Date);".

2.2.5 In paragraphs 3.7 and 4.7, the description of the "C" component of the formula is deleted in its entirety and replaced with the following:

"C = R8.10."

## **8. FINANCIAL ASSISTANCE**

In terms of the Companies Act, the Board may authorise the company to provide financial assistance to a related or inter-related company or corporation, provided such assistance is approved by way of a special resolution of the shareholders adopted within the previous two years and certain requirements as set out in the Companies Act are met, amongst others, that the company meets the solvency and liquidity test. The Board seeks such approval from shareholders in order to provide financial assistance to the company's subsidiaries from time to time.

## **SPECIAL RESOLUTION NUMBER 3**

"Resolved as a special resolution, subject to the provisions of the Companies Act, that the provision of any financial assistance by the company to any company or corporation which is related or inter-related to the company (as defined in the Companies Act), on the terms and conditions which the directors may determine, be and is hereby approved."

## **9. GENERAL AUTHORITY TO REPURCHASE SHARES IN THE COMPANY**

9.1 The reason for Special Resolution Number 4 is to grant the company's board of directors a general authority in terms of section 48(8) of the Companies Act and the JSE Listings Requirements, up to and including the date of the following annual general meeting of the company, to approve the company's acquisition of its own shares, or to permit a subsidiary of the company or any trust controlled by the company to acquire shares in the company. The directors require that such general authority should be implemented in order to facilitate the repurchase of the company's ordinary shares in circumstances where the directors consider this to be appropriate and in the best interests of the company and its shareholders.

## **SPECIAL RESOLUTION NUMBER 4**

"Resolved as a special resolution that the Board of directors is hereby authorised in terms of section 48(8) of the Companies Act by way of a renewable general authority, in terms of the provisions of the Listings Requirements of the JSE Limited ("JSE") and as permitted by the company's Memorandum of Incorporation, to approve the purchase by the company of its ordinary shares, and/or the purchase of ordinary shares in the company by any of its subsidiaries or any trust controlled by the company, upon such terms and conditions and in such amounts as the board may from time to time determine, but subject to the Memorandum of Incorporation of the company, the provisions of the Companies Act and the Listings Requirements of the JSE, when applicable, and provided that:

- the general repurchase by the company of ordinary shares in terms of this general authority may not, in the aggregate, exceed in any one financial year 5% of the company's issued ordinary share capital as at the beginning of the financial year from the date of the grant of this general authority;
- any such repurchase of securities shall be implemented through the order book operated by the JSE trading system and without any prior understanding or arrangement between the company and the counter party;
- this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date this resolution is passed;
- the company will only appoint one agent at any point in time to effect any repurchase(s) on its behalf;
- general repurchases by the company and/or any subsidiary of the company and/or any trust controlled by the company in terms of this authority, may not be made at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the five business days immediately preceding the date of the repurchase of such ordinary shares by the company and/or any subsidiary of the company and/or any trust controlled by the company;

- the company and/or any subsidiary of the company and/or any trust controlled by the company may not repurchase securities during a prohibited period, as detailed in the JSE Listings Requirements, unless the company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (and not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of and uninfluenced by the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- a SENS and press announcement will be published giving such details as may be required in terms of the JSE Listings Requirements as soon as the company and/or any subsidiary and/or any trust controlled by the company has in terms of this general authority, repurchased ordinary shares constituting on a cumulative basis 3% of the number of ordinary shares in issue at the date of the passing of this resolution, and for each 3% in aggregate of the initial number of shares acquired thereafter."

## 9.2 STATEMENT OF DIRECTORS

Shares repurchased by the company and/or any subsidiary of the company and/or any trust controlled by the company may either be held in treasury, or cancelled and restored to the status of authorised and unissued shares in the company. The board undertakes that it will not implement the proposed authority to repurchase shares, unless the directors have considered the effect of the maximum repurchase and are of the opinion that, for a period of 12 months after the date of the repurchase:

- the company and the group will be able to pay its debts in the ordinary course of business;
- the assets of the company and the group will be in excess of the liabilities of the company and the group. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the share capital and reserves of the company and the group will be adequate for ordinary business purposes;
- the working capital of the company and the group will be adequate for ordinary business purposes; and
- a resolution by the Board of directors of the company has been passed authorising the repurchase and confirming that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group.

## 9.3 MATERIAL CHANGES

Other than the facts and developments reported on in the Integrated Annual Report, there have been no material changes in the financial or trading position of the company and its subsidiaries between 31 December 2017 (being the last financial year end) and the date of this notice.

## 9.4 RESPONSIBILITY STATEMENT

The directors, whose names appear on page 34 of the Integrated Annual Report, jointly and severally accept full responsibility for the accuracy of the information pertaining to special resolution number 4 and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice contains all information required by the Companies Act and the JSE Listings Requirements.

## 9.5 ADDITIONAL DISCLOSURES IN TERMS OF THE JSE LISTINGS REQUIREMENTS

Other disclosures in terms of the JSE Listings Requirements are contained elsewhere in the Integrated Annual Report, of which this notice forms part, as follows:

- Major shareholders of the Company Page 178
- Share capital of the Company Page 170



## 10. REMUNERATION POLICY – NON-BINDING ADVISORY VOTE

The King IV Report on Corporate Governance and the JSE Limited Listings Requirements require that the Board (with the assistance of the Remuneration Committee) table the remuneration policy and the implementation report every year for separate non-binding advisory votes by shareholders at the AGM. In accordance with the provisions of the JSE Listings Requirements, the company shall give shareholders the right to express their views on the remuneration policy by casting an advisory vote in the manner set out below.

"Resolved that the company's remuneration policy for financial year-end 31 December 2017, as set out in the remuneration report set out on pages 88 to 99 of the integrated report of which this notice forms part, be and is hereby approved, through a non-binding advisory vote, in accordance with the JSE Listings Requirements and the recommendations of King IV."



## 11. IMPLEMENTATION REPORT – NON-BINDING ADVISORY VOTE

"Resolved that the company's implementation report, as set out in the remuneration report set out on pages 88 to 99 of the integrated report of which this notice forms part, be and is hereby approved, through a non-binding advisory vote, in accordance with the JSE Listings Requirements and the recommendations of King IV."



## 12. OTHER MATTERS

- Report back from the Transformation, Social and Ethics Committee on social and ethics matters pertaining to the company, which is attached hereto as Annexure A.
- To transact such other business as may be transacted at an annual general meeting.

# NOTICE OF ANNUAL GENERAL MEETING CONTINUED

## RECORD DATES

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company for purposes of being entitled to receive the notice for the annual general meeting to be held on Thursday, 26 April 2018 is Friday, 16 March 2018.

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the company for the purposes of being entitled to attend and vote at the annual general meeting, is Friday, 20 April 2018. The last day to trade for the purposes of being entitled to attend and vote at the annual general meeting is therefore Tuesday, 17 April 2018.

## VOTING AND PROXIES

Any shareholder who holds certificated ordinary shares in the company or who holds dematerialised ordinary shares in the company through a Central Securities Depository Participant ("CSDP") and who has selected "own name" registration, may attend, speak and vote at the annual general meeting or may appoint any other person or persons (none of whom need be a shareholder) as a proxy or proxies, to attend, speak and vote at the annual general meeting in such shareholder's stead.

Should any shareholder who holds dematerialised ordinary shares in the company and who has not selected "own name" registration, wish to attend, speak and vote at the annual general meeting, such shareholder should timeously inform his CSDP or broker for the purposes of obtaining the necessary letter of representation from such shareholder's CSDP or broker to attend the annual general meeting or timeously provide such shareholder's CSDP or broker with such shareholder's voting instruction in order for the CSDP or broker to vote on such shareholder's behalf at the annual general meeting.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company shall have one vote for every share held in the company by such shareholder.

A proxy form is enclosed for use by shareholders holding certificated ordinary shares in the company or dematerialised ordinary shares in the company through a CSDP and who have selected "own name" registration. Shareholders are requested to forward the duly completed form of proxy to the company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107) by 15:00 on Tuesday, 24 April 2018. Any forms of proxy not lodged by this time may be handed to the chairperson of the annual general meeting immediately prior to its commencement. The completion of a proxy form will not preclude a shareholder from attending the annual general meeting. Shareholders are encouraged to attend the annual general meeting. All meeting participants (including proxies) will be required to provide identification reasonably satisfactory to the chairman of the meeting. Acceptable forms of identification include valid identity documents, passports and driver's licences.

## ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Should any shareholder (or any proxy for a shareholder) wish to participate in the annual general meeting by way of electronic participation, that shareholder should make application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate to the transfer secretaries, at their address below, to be received by the transfer secretaries by no later than 15:00 on Tuesday, 17 April 2018 in order for the transfer secretaries to arrange for the shareholder (or its representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided.

The company reserves the right to elect not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder (or its representative or proxy). It should be noted, however, that voting will not be possible via the electronic facilities and shareholders wishing to vote their shares will need to be represented at the meeting either in person, by proxy or by letter of representation, as provided for in the annual general meeting notice.

### Registered office

Moses Mabhida Road  
Pietermaritzburg  
KwaZulu-Natal

### Transfer Secretaries

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
Johannesburg, 2196  
(PO Box 61051, Marshalltown, 2107)

## ANNEXURE A

### THE CHAIRMAN OF THE TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE FEEDBACK REPORT

The Chairman of the Transformation, Social and Ethics Committee, Mr VN Khumalo, advised that the following, *inter alia*, were discussed at the Transformation, Social and Ethics Committee meetings held during 2017.

- The terms of reference incorporating the responsibilities prescribed for a Social and Ethics Committee in terms of the Companies Act, King IV Code of Corporate Governance and the annual workplan
- Evaluation of the Transformation, Social and Ethics Committee
- Strategy on how Hulamín will achieve its transformation, social and ethics goals
- Employment equity targets and the progress made in achieving same
- Hulamín's BEE scorecard report and the impact of the new B-BBEE codes on Hulamín's score
- Environmental sustainability matters and Hulamín's carbon footprint
- Report on disputes and stakeholder engagement issues
- Report on Hulamín's contribution to the greater Pietermaritzburg area and Hulamín's granting of sponsorships, donations and charitable giving
- Report on the educational development of employees
- Report on labour regulatory compliance
- Assurance from the Risk and Safety, Health and Environment Committee that appropriate safety, health and environment policies are implemented
- Assurance on the implementation of Hulamín's compliance policies in customer dealings
- Review of the following codes and policies:
  - Stakeholder engagement policy
  - Code of ethics incorporating code of conduct and ethics pertaining to the procurement staff
  - Code of conduct for suppliers and service providers
  - Corporate compliance policy
  - Whistle blowing policy
  - Crimes involving dishonesty
  - Conflict of interest and gifts policy for employees.
- Noting the fraud policy and fraud prevention strategy approved by the Audit Committee.

In addition, the committee, whose terms of reference include the functions to be performed by a Social and Ethics Committee, as prescribed by the Companies Act of 2008, wishes to confirm that:

1. Compliance by the group with the United Nations Global Compact Principles and the OECD recommendations is mandatory, which in essence relate to: social, labour, environmental and anti-corruption standards. Any non-compliance is therefore not tolerated by the group.
2. The group complies with the Employment Equity and Black Economic Empowerment Acts. Specific targets have been set for the company to increase its levels of compliance with these Acts over the short to medium term.
3. The group complies with its Code of Ethics. The Code of Ethics of the group requires all directors and employees to be committed to fair dealing, honesty and integrity in the conduct of its business. The Code of Ethics has been endorsed by the Board and distributed to all employees in the group. Compliance by all employees to 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.



# NOTICE OF ANNUAL GENERAL MEETING CONTINUED

## ANNEXURE B

### SALIENT FEATURES: HULAMIN LIMITED EQUITY-SETTLED CONDITIONAL SHARE PLAN

#### INTRODUCTION

Hulamin Limited ("Hulamin" or "the company") propose adopting a new share plan, namely the Hulamin Limited Equity-Settled Conditional Share Plan ("ECSP").

The purpose of the ECSP is to attract, retain and reward employees of the company, subsidiaries of the company from time to time.

This will be achieved by providing them with the opportunity of receiving shares in the company through the award of either conditional rights to performance shares ("**Performance Shares**"), bonus shares ("**Bonus Shares**") and/or retention shares ("**Retention Shares**").

The ECSP will provide participants with the opportunity to share in the success of the company and to be incentivised to deliver on the business strategy of the company over the long term, providing alignment between the Participants and shareholders.

The ECSP provides that the Performance Shares, Bonus Shares and/or Retention Shares (collectively referred to as "Conditional Shares") be awarded on the following basis:

- For an award of Performance Shares, the vesting thereof is subject to the satisfaction of performance condition and the employment condition in line with the group's approach of performance related incentives;
- For an award of Bonus Shares, the value will be determined as a percentage of the STI based on performance in the previous financial year, and the vesting is subject only to the satisfaction of the employment condition;
- For an award of Retention Shares, the vesting thereof is subject to the satisfaction of the employment condition, where the Remco recognises critical retention requirements relating to key talent instrumental in delivering the group's business strategy.

#### PARTICIPANTS [14.1(A)]

Participation in terms of the ECSP will include all employees holding a permanent salaried employment or office with any company in the group. Final discretion regarding participation will remain with the Remuneration and Nomination Committee ("**Remco**").

#### RIGHTS OF PARTICIPANTS [14.1(E)]

Participants will not be entitled to any shareholder rights before the settlement of the awards on vesting, which occurs at the end of the vesting period. On settlement, shares will be registered in the name of the participants and they will have all shareholder rights, including dividend and voting rights.

#### BASIS OF AWARDS AND AWARD LEVELS [14.1(F)]

In line with best practice, regular annual awards of Performance Shares and Bonus Shares will be made to ensure long-term shareholder value creation and alignment with acceptable market norms. The ECSP provides for the award of Retention Shares, for use in specific cases where there is a critical retention risk. This separate arrangement for retention is in line with remuneration governance principles, which recommends that any retention policy/awards should be ring-fenced and disclosed separately. The awarding of Retention Shares will not form part of the annual award policy.

Award levels for Performance Shares, Bonus Shares and/or Retention Shares will be decided by the Remco each time that awards are granted, by taking into account the particular circumstances at that time.

Annual awards may be benchmarked and set to a market-related level of remuneration whilst considering the overall affordability thereof to the company.

#### PERFORMANCE CONDITIONS AND VESTING

The extent and nature of performance conditions applicable to the ECSP will be approved by the Remco annually and specifically included in the award letter to participants.

Retention Shares will not be subject to performance conditions, due to their inherent nature as retention instruments, but will be subject to an employment condition. This requires continued employment of the participant by any group company for the duration of a certain number of years from the award date ("**Employment Condition**").

Bonus Shares are also not subject to performance conditions in terms of the Rules, due to the fact that they have a "performance entry requirement", as the quantum of the Bonus Shares is determined with reference to the actual short-term incentive paid to the participant.

Performance Shares will be subject to the fulfilment of both the pre-determined company performance conditions to be satisfied over the performance period ("**performance conditions**") and the Employment Condition over the employment period for vesting to occur.

The first awards of Performance Shares will be made to the participants subject to the following proposed performance conditions, measured over a three-year performance period:

Performance condition	Weighting
Return on Capital Employed (ROCE)	67%
Total Shareholder Return (TSR)	33%

Note that these performance conditions are still to be approved. The Remco will set appropriate performance conditions, performance period(s), employment conditions and employment period(s), as relevant, for future awards, taking into account the business environment at the time of making the awards, and where considered necessary, in consultation with shareholders. Each of these details of the award will be agreed with the participants in terms of individual award letters.

## MANNER OF SETTLEMENT

The rules of the ECSP are flexible in order to allow for settlement in any of the following manners:

- by way of a market purchase of shares;
- use of existing shares held in treasury;
- issue of shares by the company; and
- as a fall-back provision, in cash.

The exact method of settlement will be determined by the Remco for each award.

## DIVIDEND EQUIVALENT SHARES

This refers to such additional number of shares (rounded down to the nearest whole number in the case of fractions), equal in value to the dividends that a participant would have earned in respect of Bonus Shares, if he was the owner of the Conditional Shares from the award date to the vesting date determined with reference to the dividend record dates occurring in that period, adjusted for Bonus Shares actually vesting ("**Dividend Equivalent Shares**"). This means that Dividend Equivalent Shares are only paid to the extent that the underlying Bonus Shares vest.

Dividend Equivalent Shares are only applicable to Bonus Shares and are settled in equity, as the underlying Bonus Shares are, and are 'rolled up' and settled at the same time that the underlying Bonus Shares are settled. Any Dividend Equivalent Shares attributable to Bonus Shares will be specified in the Award Letter.

## LIMITS AND ADJUSTMENTS

### Overall company limit

The aggregate number of shares which may be settled in respect of the ECSP to all participants will not exceed 15 650 000 (fifteen million, six hundred and fifty thousand) shares, which represents approximately 5% of the number of issued shares as at the date of adoption of the ECSP. This is in line with market best practice.

In calculating the limit for the ECSP, new shares allotted and issued by the company or shares held in a treasury account which have been used by the company for settlement of the ECSP, will be included in the company limit. This limit will be calculated to exclude shares purchased in the market in settlement of the ECSP. [14.1(b)]

### Individual limit

The maximum number of shares which may be settled to any single participant in terms of this ECSP will not exceed 3 130 000 (three million, one hundred and thirty thousand) shares, which represents approximately 1% of the number of issued shares as at date of approval of the ECSP by shareholders. [14.1(c)]

### Adjustments related to ECSP limits

The Remco must, where required, adjust the company limit and individual limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the shares of the company. Such adjustment to the number of shares should result in the company still being capable of settling the same percentage of shares as was the case prior to the occurrence of the event. [14.3(a)]

The Remco may, where required, adjust the company limit and individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the company. Such adjustment to the number of shares should result in the company still being capable of settling the same percentage of shares as was the case prior to the occurrence of the event. [14.3(b)]

The auditors, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the ECSP and must be reported on in the company's financial statements in the year during which the adjustment is made. [14.3 (c), (d), (e)]

Any adjustments made in accordance with paragraph 14.3 of the JSE Listings Requirements, must be reported on in the company's annual financial statements in the year during which the adjustment is made. [14.3(e)]

The issue of shares as consideration for an acquisition, and the issue of shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the company or individual limit. [14.3(c)]

Awards under the ECSP which are not subsequently settled to a participant as a result of the forfeiture thereof will revert back to the relevant ECSP as relevant. [14.3(f)]

## CONSIDERATION [14.1(d)(ii)]

The participant will give no consideration for the award or settlement of any awards or shares in terms of the ECSP.

## MALUS

The Remco may, at the vesting of an award (or at any time before the vesting of the award) reduce the number of Conditional Shares subject to an award to any participant in whole or in part (including, for the avoidance of doubt, to nil) in certain circumstances. In determining any reduction, the Remco shall act fairly and reasonably but its decision shall be final and binding.

# NOTICE OF ANNUAL GENERAL MEETING CONTINUED

## TERMINATION OF EMPLOYMENT [14.1(h)]

### “Fault Termination”

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct or on the basis of abscondment will forfeit all unvested awards.

### “No Fault Termination”

Termination of employment due to death, retirement, retrenchment, ill-health, disability, injury, the sale of a subsidiary company, or for any other reason other than those set out under “Fault Termination”, will be classified as “No Fault Termination”. Unvested award(s) will vest on date of termination of employment (*pro rata* accelerated vesting), taking into account the number of complete months served since the award date to the date of termination over the total number of months in the employment period, and the extent to which any applicable performance conditions have been satisfied.

Provision is made in the Rules for Remco discretion where termination of employment occurs in terms of exceptional circumstances which do not fall into the “fault” or “no fault” categories.

## CHANGE OF CONTROL [14.1(g)]

In the event of a change of control of the company occurring before the vesting date of any award, a portion of the award will vest. The Remco, having regard to such professional advice as they consider appropriate in the circumstances, has an absolute discretion to accelerate vesting of a portion of awards.

In exercising their discretion, the Remco may consider the number of complete months served since the award date to the change of control date over the total number of months in the employment period, and the extent to which any performance conditions have been satisfied. The portion that does not vest as a result of the change of control will, except on termination of the ECSP (in which case it shall lapse), continue to be subject to the terms of the original award letter. However, the Remco has the discretion to determine that the terms of the award letter are no longer appropriate and may:

- make an adjustment to the number of Conditional Shares; or
- convert awards into awards in respect of shares in one or more other companies; or
- the Remco may also vary any performance condition(s) in accordance with the provisions of the Rules.

Any adjustments made must result in the participants being no worse off as a result of the adjustment.

## VARIATION OF SHARE CAPITAL

In the event of a variation in share capital such as, for example, a capitalisation issue, rights issue, subdivision of shares, consolidation of shares the company entering into a scheme of arrangement as contemplated in section 114 of the Act, the company making distributions, including a reduction of capital and a distribution *in specie*, other than a dividend paid in the ordinary course of business out of the current year's retained earnings, or any other event affecting the share capital of the company. Participants will continue to participate in the ECSP.

The Remco may make such adjustment to the award or take such other action to place participants in no worse a position than they were prior to the happening of the relevant event and to provide that the fair value of the award immediately after the event is materially the same as the fair value of the award immediately before the event.

The issuing of shares as consideration for an acquisition, and the issuing of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the awards. [14.3(c)]

## LIQUIDATION

If the company is placed into liquidation, other than for purposes of reorganisation, an award of Performance Shares, Bonus Shares and/or Retention Shares will lapse as from the liquidation date. [14.1(e)]

## AMENDMENT [14.2]

The Remco may alter or vary the rules of the ECSP as it sees fit, however, in the following instances the ECSP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- the category of persons who are eligible for participation in the ECSP;
- the number of shares which may be utilised for the purpose of the ECSP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which awards are made;
- the amount payable upon the award, settlement or vesting of an award;
- the voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the company;
- the adjustment of awards in the event of a variation of share capital of the company or a change of control of the company; and
- the procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

## GENERAL

The rules of the ECSP are available for inspection from 1 March 2018 to 30 April 2018 at the company's registered office.