

The definitions and interpretation commencing on page 7 of this Circular apply to this Circular including this cover page.



HULAMIN Hulamin Limited

(Incorporated in the Republic of South Africa)
(Registration number 1940/013924/06)
JSE code: HLM ISIN: ZAE000096210
("Hulamin" or "the Company")

Circular to Hulamin Shareholders

regarding:

- a broad-based BEE Transaction involving the participation of Eligible Employees and Strategic Black Partners, and, in connection therewith:
 - the decrease of the number of authorised shares of the Company by the cancellation of the existing unissued 'A' ordinary shares, 'B1', 'B2' and 'B3' ordinary shares which were created for purposes of the 2007 BEE Transaction;
 - the increase of the number of authorised shares of the Company by the creation of new A Ordinary Shares and the B Ordinary Shares;
 - the Specific Issue by Hulamin of the A Ordinary Shares and the B Ordinary Shares for cash to the BEE Vehicles;
 - the sanctioning of any financial assistance to be provided by the Company, in terms of section 44 and, where applicable, section 45 of the Companies Act, to the BEE Vehicles for the purpose of the BEE Transaction; and
 - the Specific Repurchase of the Repurchase Shares from the BEE Vehicles at the maturity of the BEE Transaction;
- the conversion of the Hulamin Ordinary Shares from par value shares to no par value shares; and
- the amendment of the Memorandum of Incorporation of the Company;
and including:
 - a notice convening a General Meeting of Hulamin Shareholders;
 - a form of proxy in respect of the General Meeting (*green*) (for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration).

24 March 2015

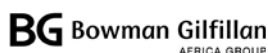
Merchant bank and sponsor



Independent expert



Legal adviser



Tax adviser



Independent reporting accountants



Empowerment rating agency



CORPORATE INFORMATION

Group company secretary and registered office

Willem Fitchat, (B.Com (Hons), MBA, FCIS)
Moses Mabhida Road
Pietermaritzburg, 3201
(PO Box 74, Pietermaritzburg, 3200)

Legal adviser

Bowman Gilfillan Inc.
(Registration number 1998/021409/21)
165 West Street
Sandton, 2196
(PO Box 785812, Sandton, 2146)

Merchant bank and sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Tax adviser

Ernst & Young Advisory Services
Proprietary Limited
(Registration number 2006/018260/07)
1 Pencarrow Crescent
La Lucia Ridge Office Park
Durban, 4001
(PO Box 89, Durban, 4000)

Date of incorporation

27 May 1940

Place of incorporation

Pretoria, South Africa

Transfer secretaries

Computershare Investor Services
Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001 (PO Box 61051,
Marshalltown, 2107)

Independent reporting accountants

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration number 1998/012055/21)
102 Stephen Dlamini Road Durban 4001
(PO Box 1049, Durban, 4000)

Independent expert

KPMG Services Proprietary Limited
(Registration number 1999/012876/07)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parkview, 2122)

Empowerment rating agency

Empowerdex Proprietary Limited
(Registration number 2001/027963/07)
1st Floor, Inanda Greens Office Park
Wierda Road West
Wierda Valley
Sandton, 2196

This Circular is only available in English. Copies may be obtained from the registered offices of the Company, the Company Sponsor and the Transfer Secretaries, whose addresses are set out in the "Corporate information" section of this Circular.

The definitions and interpretation set out on pages 7 to 14 of this Circular shall apply *mutatis mutandis* to this section.

ACTION REQUIRED BY HULAMIN SHAREHOLDERS

IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE, PLEASE CONTACT YOUR BANKER, BROKER, CSDP, ATTORNEY, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

IF YOU HAVE DISPOSED OF ALL OF YOUR HULAMIN SHARES, THIS CIRCULAR SHOULD BE HANDED TO THE PURCHASER OF SUCH SHARES OR TO THE BANKER, BROKER, CSDP OR OTHER AGENT THROUGH WHOM THE DISPOSAL WAS EFFECTED.

The General Meeting of Hulamin Shareholders will be held on Thursday, 23 April 2014 at 15:15, or immediately after the conclusion or adjournment of the AGM (the AGM is to commence the same day at 14:45 at the same venue), whichever is the later, in the Simunye meeting room at Hulamin's offices, Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal, at which Shareholders will be required to consider and, if deemed fit, pass, with or without modification, the resolutions required to:

- implement a broad-based BEE Transaction involving the participation of Eligible Employees and Strategic Black Partners, and, in connection therewith:
 - the cancellation of the existing unissued 'A' ordinary shares and 'B1', 'B2' and 'B3' ordinary shares which were created for purposes of the 2007 BEE Transaction;
 - the creation of new A Ordinary Shares and the B Ordinary Shares;
 - the Specific Issue by Hulamin of the A Ordinary Shares and the B Ordinary Shares for cash to the BEE Vehicles;
 - the sanctioning of any financial assistance to be provided by the Company, in terms of section 44 and, where applicable, section 45 of the Companies Act, in relation to the BEE Vehicles for the purpose of the BEE Transaction; and
 - the specific repurchase of the Repurchase Shares from the BEE Vehicles at the maturity of the BEE Transaction;
- convert the Hulamin Ordinary Shares to no par value Hulamin Ordinary Shares; and
- amend the Memorandum of Incorporation of the Company.

A notice convening the General Meeting and a form of proxy in respect of the General Meeting are attached to and form part of this Circular.

1. IF YOU ARE A DEMATERIALIZED SHAREHOLDER OTHER THAN WITH "OWN NAME" REGISTRATION

1.1 Voting at the General Meeting

- 1.1.1 Your CSDP or Broker should contact you in the manner stipulated in the agreement concluded between you and your CSDP or Broker to ascertain how you wish to cast your votes at the General Meeting and thereafter to cast your votes in accordance with your instructions.
- 1.1.2 If you have not been contacted by your CSDP or Broker, you should contact your CSDP or Broker and furnish them with your voting instructions.
- 1.1.3 If your CSDP or Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the provisions contained in the agreement concluded between you and your CSDP or Broker.
- 1.1.4 You must **NOT** complete the attached form of proxy (*green*).

1.2 Attendance and representation at the General Meeting

- 1.2.1 If you wish to attend the General Meeting, you must advise your CSDP or Broker in accordance with the agreement concluded between you and your CSDP or Broker, and your CSDP or Broker will issue the necessary letter of representation to you to attend the General Meeting.

- 1.2.2 Unless you advise your CSDP or Broker, in accordance with the terms of the agreement concluded between you and your CSDP or Broker, that you wish to attend the General Meeting and have been provided with a letter of representation from them or instructed them to send their proxy to represent you at the General Meeting, your CSDP or Broker may assume that you do not wish to attend the General Meeting and act in accordance with the agreement between you and your CSDP or Broker.

1.3 Update of your records

- 1.3.1 The electronic record of your shares will be automatically updated should the proposed resolution for the Proposed Conversion be approved by the requisite number of Hulamin Shareholders and after the issue of a registration certificate by the CIPC.

2. IF YOU ARE A CERTIFICATED SHAREHOLDER

2.1 Voting, attendance and representation at the General Meeting

- 2.1.1 You may attend the General Meeting in person and may speak at and vote at the General Meeting.
- 2.1.2 Alternatively, if you are unable to attend the General Meeting, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy (*green*) in accordance with the instructions contained therein and returning it to the Transfer Secretaries. It is requested that forms of proxy be received by the Transfer Secretaries by no later than 15:15 on Tuesday, 21 April 2015.
- 2.1.3 You are encouraged to complete the form of proxy (*green*) attached to this document if you do not intend to attend the General Meeting in person.
- 2.1.4 Where there are joint holders of Hulamin Shares, any one of such persons may vote at the General Meeting in respect of such Hulamin Shares as if they are solely entitled thereto, but if more than one of such joint holders are present or represented at the General Meeting, the person whose name stands first in Hulamin's Register in respect of such Hulamin Shares or their proxy, as the case may be, shall alone be entitled to vote in respect of such Hulamin Shares.

3. IF YOU ARE A DEMATERIALISED SHAREHOLDER WITH "OWN NAME" REGISTRATION

3.1 Update of your records

- 3.1.1 The electronic record of your shares will be automatically updated should the proposed resolution for the Proposed Conversion be approved by the requisite number of Hulamin Shareholders and after the issue of a registration certificate by the CIPC.

3.2 Voting, attendance and representation at the General Meeting

- 3.2.1 You may attend the General Meeting in person and may speak at and vote at the General Meeting.
- 3.2.2 Alternatively, if you are unable to attend the General Meeting, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy (*green*) in accordance with the instructions contained therein and returning it to the Transfer Secretaries. It is requested that forms of proxy be received by the Transfer Secretaries by no later than 15:15 on Tuesday, 21 April 2015.
- 3.2.3 You are encouraged to complete the form of proxy (*green*) attached to this document if you do not intend to attend the General Meeting in person.
- 3.2.4 Where there are joint holders of Hulamin Shares, any one of such persons may vote at the General Meeting in respect of such Hulamin Shares as if they are solely entitled thereto, but if more than one of such joint holders are present or represented at the General Meeting, the person whose name stands first in Hulamin's Register in respect of such Hulamin Shares or their proxy, as the case may be, shall alone be entitled to vote in respect of such Hulamin Shares.

If you wish to dematerialise your Hulamin Shares, please contact your CSDP or Broker.

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IMPORTANT DATES AND TIMES

The definitions and interpretation set out on pages 7 to 14 of this Circular apply *mutatis mutandis* to this section.

	2015
Record date for Hulamin Shareholders to be eligible to receive this Circular	Friday, 20 March
Circular posted to Hulamin Shareholders on or about	Tuesday, 24 March
Last day to trade Hulamin Shares on the JSE in order to be eligible to vote at the General Meeting	Friday, 10 April
Record date to be entitled to participate in and vote at the General Meeting	Friday, 17 April 2015
Last date for receipt of the forms of proxy for the General Meeting by 15:15	Tuesday, 21 April
General Meeting to be held at 15:15 or immediately after the conclusion or adjournment of the AGM (which is to commence at 14:45 at the same venue), whichever is the later, on	Thursday, 23 April
Results of the General Meeting released on SENS on	Thursday, 23 April
Results of the General Meeting published in the press on	Friday, 24 April
Special resolutions and the New MOI filed with the CIPC on	Friday, 24 April

Notes:

1. The abovementioned times and dates are South African times and dates and are subject to change. Any material change will be released on SENS and published in the press in South Africa.
2. Should the General Meeting be adjourned or postponed, it is requested that forms of proxy be received by no later than 48 hours (excluding Saturdays, Sundays and statutory or proclaimed public holidays in South Africa) prior to the time of the adjourned or postponed General Meeting.

The definitions and interpretation provisions set out on pages 7 to 14 of this Circular shall apply *mutatis mutandis* to this section.

SALIENT FEATURES OF THE BEE TRANSACTION

These salient features are intended to be an overview and not a complete description of the BEE Transaction. Hulamin Shareholders should read the entire Circular for a more detailed explanation of the BEE Transaction.

BEE TRANSACTION HIGHLIGHTS

- broad-based BEE ownership transaction including Eligible Employees (including black management) and long-standing Strategic Black Partners;
- in aggregate, the transaction will place 17% of votes and 13% of Hulamin's equity under the control of the Strategic Black Partners and the new ESOP;
- demonstrates Hulamin's on-going commitment to transformation and broad-based black economic empowerment;
- significant employee participation through a broad-based employee share trust for eligible employees and black management within the Hulamin group, enhancing the attraction and retention of core skills;
- five-year employee and eight-year Strategic Black Partner participation period promotes long-term mutual value creation for all stakeholders; and
- transaction structure ensures high probability of financial returns to BEE participants, whilst limiting impact on dividend flows and dilution to ordinary shareholders on vesting.

INTRODUCTION AND TRANSACTION RATIONALE

As a large South African manufacturer, Hulamin's own strategy is closely aligned with the industrialisation and beneficiation objectives of the South African government. Hulamin is a key participant in the local aluminium industry, an industry that supports the South African government's broad-based BEE initiatives and recognises the importance of a sustainable and meaningful participation by Black People in the mainstream economy.

Hulamin is committed to the implementation and success of broad-based empowerment throughout the Group and has, over many years, implemented and maintained a number of initiatives relating to employment equity, skills development, preferential procurement, enterprise development and corporate social investment. This will be sustained beyond the vesting of the BEE Transaction to maintain Hulamin's competitive position and optimal BEE rating.

In accordance with its transformation objectives, Hulamin implemented a BEE ownership transaction in 2007 with the aim of empowering its employees and Strategic Black Partners. The 2007 Strategic Partners' BEE Transaction matured in July 2014 with no value vesting for the beneficiaries, and the 2007 ESOP and 2007 MSOP matured in 2012 with little value vesting in the hands of beneficiaries. The suboptimal outcome of these transactions was largely the result of Hulamin's share price performance since inception of the schemes relative to the initial funding structure. As a result of the unwinding of the 2007 BEE Transaction, Hulamin no longer has empowerment shareholding and has insufficient empowerment points to carry forward in terms of the continuing consequences principle detailed in the Codes. Unless remedied, this will have a severe impact on Hulamin's BEE rating measured in terms of the recently revised DTI Codes of Good Practice.

A significant portion of the benefits of the BEE Transaction (approximately 83%) is intended to be spread among Hulamin's Eligible Employees, which will include all eligible non-management employees and all Black management employees.

The New Strategic Partners' BEE Transaction has been designed to promote and improve the likelihood of a reasonable level of vesting for Hulamin's Strategic Black Partners, which includes a significant broad-based element, who, after investing R40 million in the Company in 2007, have participated in the Group for the past seven years and have committed to a further eight years by way of this transaction. The vesting potential of the New Strategic Partners' BEE Transaction has been capped, limiting the portion of potential benefits of the overall BEE Transaction (17%) to these parties.

The new BEE Transaction will reinforce Hulamin's reputation and commitment to the spirit of transformation and economic empowerment, sustain constructive labour relations as well as Hulamin's relations with surrounding communities. Furthermore, the BEE Transaction will be implemented at a fair cost to Hulamin shareholders. An Independent Expert has been appointed to examine the terms of the BEE Transaction and has issued an opinion to the effect that the BEE Transaction is fair to Hulamin shareholders.

2007 STRATEGIC PARTNERS' BEE TRANSACTION

The 2007 Strategic Partners' BEE Transaction was implemented through the disposal by Hulamin to Hulamin Opco of all of its assets and liabilities and the subsequent investment by Chaldean, by way of an equity contribution of R40 million, in both Hulamin Opco (economic shares) and Hulamin (voting only shares). In terms of this transaction, value was to be earned by Chaldean through an increase in the value of Hulamin Opco. The 2007 Strategic Partners' BEE Transaction was structured such that Chaldean would convert the share of its value in Hulamin Opco into Hulamin Ordinary Shares at maturity.

Shareholders are referred to the Hulamin PLS for additional detail in relation to the 2007 Strategic Partners' BEE Transaction.

Effective 9 July 2014, Chaldean became entitled, and accordingly exercised, the right to convert all of its shares in Hulamin Opco for ordinary shares in Hulamin. Given Hulamin's share price at that date and the value of the preference shares issued by Hulamin Opco, including accumulated dividends, the value of Chaldean's equity stake in Hulamin Opco was valued at nil resulting in none of Chaldean's shares in Hulamin Opco converting to Hulamin ordinary shares. The 'A' ordinary (voting-only) shares issued by Hulamin to Chaldean were repurchased at par value, in the amount of R3.6 million. Due to Hulamin restructuring its debt package in 2013, the interest margin of 0,55% earned by Chaldean on the bank funding routed via Chaldean to Hulamin Opco was replaced by a BEE support fee payable to Chaldean from 2013 in order to retain the Chaldean structure and ensure that all administrative costs and debt service costs related thereto were covered (around R19 million was paid to Chaldean in total during the term of the transaction). This fee has subsequently fallen away with the maturing of the 2007 Strategic Partners' BEE Transaction.

2007 ESOP AND 2007 MSOP

The 2007 ESOP matured in 2012 with no vesting achieved for the c. 2 000 beneficiaries of the scheme.

There was only limited vesting (c. R3.7 million) of the grant shares issued to the c. 65 participants of the 2007 MSOP upon it maturing also in 2012.

NEW STRATEGIC PARTNERS' BEE TRANSACTION

The New Strategic Partners' BEE Transaction will entail the issue of three tranches of B Ordinary Shares (B1 Ordinary Shares, B2 Ordinary Shares and B3 Ordinary Shares) to the Strategic Black Partners. The B1 Ordinary Shares and the B2 Ordinary Shares will carry both economic and voting rights (in total, voting of 4,6%) and will be issued on a Notional Vendor Financed basis. The B3 Ordinary Shares will carry only voting rights (4,6%). The B Ordinary Shares will entitle BEE SPV to approximately 9,2% of the voting rights in Hulamin. The term of the New Strategic Partners' BEE Transaction will be a total of eight years, with a vesting period of five years and a three-year post-vesting lock-in period. Total IFRS 2 cost of the instruments issued is capped at R20 million. Dependent on the share price performance of Hulamin, the BEE Transaction will, on vesting, result in a dilution of Hulamin Ordinary Shareholders of between around 2,5% and 6,5%, with the New Strategic Partners' BEE Transaction contributing around 17% of this total dilution at maximum dilution levels.

The shareholders in BEE SPV are essentially the same shareholders as those who were involved in the 2007 Strategic Partners' BEE Transaction with the exception of a few parties who have chosen not to participate in the BEE Transaction. The vehicle invested in the 2007 Strategic Partners' Transaction, Chaldean, was 40% held by Makana and 60% held by Imbewu Consortium SPV 1. BEE SPV, the entity invested in Hulamin through the New Strategic Partners' BEE Transaction is also 40% held by Makana and 60% held by Imbewu (which reflects a simplified shareholding structure of the original Imbewu Consortium SPV1).

ESOP

The new ESOP will entail the issue of two tranches of A Ordinary Shares (A1 Ordinary Shares and A2 Ordinary Shares) to the ESOP Trust. The A1 Ordinary Shares are grant shares (ie free shares) and the A2 Ordinary Shares will be issued on a Notional Vendor Financed basis. The A Ordinary Shares will have both economic and voting rights. The A Ordinary Shares will provide the ESOP Trust with an 8,1% interest in Hulamin. The term of the ESOP will be five years.

The new ESOP will contribute to Hulamin achieving a high level of ownership points in terms of the Codes. A significant portion of the benefits of the BEE Transaction (approximately 83%) is intended to be spread among Hulamin's Eligible Employees, which will include all eligible non-management employees and all Black management employees. The sustainability and growth prospects of Hulamin will be enhanced by:

- improving Hulamin's ability to attract, incentivise and retain Black employees and managers;
- aligning the interests of employees and Hulamin shareholders; and
- recognising and rewarding employees who have enabled the success of the Group.

DEFINITIONS AND INTERPRETATION

Throughout this Circular and the annexures hereto, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and any reference to one gender shall include the other genders:

“2007 BEE Transaction”	collectively the 2007 ESOP, the 2007 MSOP and the 2007 Strategic Partners’ BEE Transaction;
“2007 ESOP”	the Employee Share Ownership Plan implemented during 2007 upon the unbundling of Hulamin;
“2007 MSOP”	the Management Share Ownership Plan implemented during 2007 upon the unbundling of Hulamin;
“2007 Strategic Partners’ BEE Transaction”	the black economic empowerment transaction implemented during 2007 in which Chaldean was the strategic partner;
“A Ordinary Shares”	collectively, the A1 Ordinary Shares and the A2 Ordinary Shares;
“A1 Ordinary Shares”	4 721 600 unlisted no par value A1 ordinary shares which rank <i>pari passu</i> with the Hulamin Ordinary Shares in all respects, other than restrictions on disposal and encumbrance of those shares prior to the Vesting Date;
“A2 Ordinary Shares”	26 755 733 unlisted no par value A2 ordinary shares which rank <i>pari passu</i> with the Hulamin Ordinary Shares in all respects, other than the right of Hulamin to repurchase the A2 Repurchase Shares, having no entitlement to receive dividends in cash from Hulamin and restrictions on disposal and encumbrance of these shares prior to the Vesting Date, as more fully set out in Annexure 8;
“A2 Repurchase Event”	the repurchase of such number of the A2 Ordinary Shares, as are calculated in accordance with the A2 Repurchase Formula, on the Vesting Date in terms of Annexure 8 at an acquisition price of R0.01 (one cent) per A2 Ordinary Share;
“A2 Repurchase Formula”	<p>the formula to calculate the A2 Repurchase Shares pursuant to the A2 Repurchase Event:</p> <p>RA2 equals the greater of:</p> $\frac{(P1 \times A2) - D}{P2}$ <p>and</p> $\frac{((P1 + P2 - C) \times A2) - D}{P2}$ <p>rounded to the nearest share provided that RA2 may not be greater than the number of A2 Ordinary Shares in issue on the Vesting Date and may not be less than zero.</p> <p>and where:</p> <p>RA2 = the number of A2 Ordinary Shares to be repurchased;</p> <p>P2 = VWAP during the 30 JSE trading days preceding the Vesting Date or if the Company’s ordinary shares are no longer trading on the JSE, the market value of the shares determined in accordance with Annexure 8;</p> <p>A2 = number of A2 Ordinary Shares in issue on the Vesting Date;</p> <p>D = aggregate amount of all dividends that would have been declared and paid in respect of the A2 Ordinary Shares since the Completion Date if the A2 Ordinary Shares were entitled to participate equally with the ordinary shares insofar as the declaration of dividends are concerned;</p> <p>C = an amount to be determined by Deloitte such that the aggregate economic cost of the A1 Ordinary Shares and the A2 Ordinary Shares issued to the ESOP Trust as at the Completion Date equals 3,4% of the Company’s market capitalisation as at that date;</p>

“A2 Repurchase Shares”	the number of A2 Ordinary Shares which are to be acquired by Hulamin pursuant to the A2 Repurchase Event and calculated in accordance with the A2 Repurchase Formula;
“AGM”	the annual general meeting of the Company to be held at 14:45 on 23 April 2015 at Hulamin’s head office;
“Allocation Criteria”	the criteria for the allocation of the Employee Units to Eligible Employees approved by the Board from time to time;
“Announcement Date”	the date of release of the detailed terms of the BEE Transaction by Hulamin on SENS, being 15 December 2014;
“B Ordinary Shares”	collectively, the B1 Ordinary Shares, the B2 Ordinary Shares and the B3 Ordinary Shares;
“B1 Ordinary Shares”	9 018 000 authorised unlisted no par value B1 ordinary shares which rank <i>pari passu</i> with the Hulamin Ordinary Shares in all respects, other than the right of Hulamin to repurchase the B1 Repurchase Shares, having no entitlement to receive dividends from Hulamin and restrictions on disposal and encumbrance of these shares prior to the Vesting Date, as more fully set out in Annexure 8;
“B1 Repurchase Event”	the repurchase of such number of the B1 Ordinary Shares, as are calculated in accordance with the B1 Repurchase Formula, on the Vesting Date in terms of Annexure 8 at an acquisition price of R0,01 (one cent) per B1 Ordinary Share;
“B1 Repurchase Formula”	<p>the formula to calculate the number of B1 Repurchase Shares pursuant to the B1 Repurchase Event:</p> <p>RB1 equals the greater of:</p> $\frac{((P1/2) \times B1)}{P2}$ <p>and</p> $\frac{((P1/2 + P2 - C) \times B1)}{P2}$ <p>rounded to the nearest share, provided that RB1 may not be greater than the number of B1 Ordinary Shares in issue on the Vesting Date and may not be less than zero;</p> <p>and where:</p> <p>RB1 = the number of B1 Ordinary Shares to be repurchased;</p> <p>P1 = VWAP during the 30 JSE trading days preceding the Completion Date or if the Company’s ordinary shares are no longer trading on the JSE the market value of the shares determined in accordance with Annexure 8;</p> <p>P2 = VWAP during the 30 JSE trading days preceding the Vesting Date or if the Company’s ordinary shares are no longer trading on the JSE the market value of the shares determined in accordance with Annexure 8;</p> <p>B1 = number of B1 Ordinary Shares in issue on the Vesting Date;</p> <p>C = an amount to be determined by Deloitte such that the aggregate economic cost of the B1 and B2 Ordinary Shares issued to BEE SPV on the Completion Date does not exceed R20 000 000 (twenty million Rand) as at that date;</p>
“B1 Repurchase Shares”	the number of B1 Ordinary Shares which are to be acquired by Hulamin pursuant to the B1 Repurchase Event and calculated in accordance with the B1 Repurchase Formula;
“B2 Ordinary Shares”	9 018 000 authorised unlisted no par value B2 ordinary shares which rank <i>pari passu</i> with the Hulamin Ordinary Shares in all respects, other than the right of Hulamin to repurchase the B2 Repurchase Shares, having no entitlement to receive dividends from Hulamin and restrictions on disposal and encumbrance of these shares prior to the Vesting Date, as more fully set out in Annexure 8;
“B2 Repurchase Event”	the repurchase of such number of the B2 Ordinary Shares, as are calculated in accordance with the B2 Repurchase Formula, on the B2 Vesting Date in terms of Annexure 8 at an acquisition price of R0,01 (one cent) per B2 Ordinary Share;

“B2 Repurchase Formula”	<p>the formula to calculate the B2 Repurchase Shares pursuant to the B2 Repurchase Event:</p> <p>RB2 Equals the greater of:</p> $\frac{(P1 \times B2)}{P2}$ <p>and</p> $\frac{((P1 + P2 - C) \times B2)}{P2}$ <p>rounded to the nearest share, provided that RB2 may not be greater than the number of B2 Ordinary Shares in issue on the Vesting Date and may not be less than zero;</p> <p>and where:</p> <p>RB2 = the number of B2 Ordinary Shares to be repurchased;</p> <p>P1 = VWAP during the 30 JSE trading days preceding the Completion Date or if the Company’s ordinary shares are no longer trading on the JSE the market value of the shares determined in accordance with Annexure 8;</p> <p>P2 = VWAP during the 30 JSE trading days preceding the Vesting Date or if the Company’s ordinary shares are no longer trading on the JSE the market value of the shares determined in accordance with Annexure 8;</p> <p>B2 = number of B2 Ordinary Shares in issue on the Vesting Date;</p> <p>C = an amount to be determined by Deloitte such that the aggregate economic cost of the B1 and B2 ordinary shares issued to BEE SPV as at the Completion Date does not exceed R20 000 000 (twenty million Rand) as at that date;</p>
“B2 Repurchase Shares”	the number of B2 Ordinary Shares which are to be acquired by Hulamin pursuant to the B2 Repurchase Event and calculated in accordance with the B2 Repurchase Formula;
“B3 Ordinary Shares”	18,036,000 authorised unlisted no par value B3 ordinary shares in the issued share capital of Hulamin which rank <i>pari passu</i> with the Hulamin Ordinary Shares only in respect of voting rights in Hulamin, as more fully set out in Annexure 8. These shares have no entitlement to receive dividends from Hulamin and there are restrictions on the disposal and encumbrance of these shares prior to the Release Date;
“B3 Repurchase Shares”	the B3 Ordinary Shares which are to be acquired by Hulamin on the Release Date at an acquisition price of R0.01 (one cent) per B3 Ordinary Share;
“Bad Leaver”	<p>an Employee Beneficiary who leaves the employ of the Hulamin Group by reason of:</p> <ul style="list-style-type: none"> • dismissal for misconduct or poor work performance; or • resignation;
“B-BBEE Act”	the Broad-Based Black Economic Empowerment Act, No. 53 of 2004, as amended;
“BEE”	Black economic empowerment as defined in the B-BBEE Act;
“BEE SPV”	Imbewu SPV 14 Proprietary Limited (Registration number 2013/209910/07), a private company incorporated in accordance with the laws of South Africa;
“BEE SPV Contribution Agreement”	the contribution agreement between Hulamin and BEE SPV dated 15 December 2014, in terms of which Hulamin contributes the BEE Subscription Amount to BEE SPV;
“BEE SPV MOI”	the Memorandum of Incorporation of BEE SPV;
“BEE SPV Repurchase Event”	the right of Hulamin to repurchase such number of the BEE SPV Shares, as are calculated in accordance with the BEE SPV Repurchase Formulae;
“BEE SPV Repurchase Formulae”	collectively, the B1 Repurchase Formula and the B2 Repurchase Formula;
“BEE SPV Repurchase Shares”	the number of BEE SPV Shares which are to be acquired by Hulamin pursuant to the BEE SPV Repurchase Event;
“BEE SPV Shareholders”	collectively, Makana and Imbewu;

“BEE SPV Shareholders Agreement”	the Hulamin BEE SPV Shareholders Agreement between Hulamin, Makana, Imbewu and BEE SPV dated 15 December 2014, regulating the relationship of the parties in respect of BEE SPV;
“BEE SPV Shares”	the Hulamin Shares held by BEE SPV from time to time;
“BEE SPV Subscription Agreement”	the subscription agreement entered into between Hulamin and BEE SPV on 15 December 2014 dealing with the issue of the Initial BEE SPV Shares to BEE SPV;
“BEE SPV Subscription Amount”	the aggregate Subscription Price payable by BEE SPV, for the Initial BEE SPV Shares, which amounts to R360 720;
“BEE Support Fee”	A fee of R850 000 per annum, payable in quarterly instalments, by Hulamin to BEE SPV for a period of eight years after the Completion Date, escalating at a rate of 6% per annum, for the reasonable operating expenditure requirements of BEE SPV;
“BEE Transaction”	collectively the Specific Issue and the Specific Repurchase;
“BEE Vehicles”	collectively Imbewu SPV 14 and the ESOP Trust;
“Black People” or “Black Person”	black people as defined in the B-BBEE Act as read in conjunction with schedule 1 of the Codes and “Black” shall have a corresponding meaning;
“Board”	the Board of Directors of Hulamin;
“Broker”	any person registered as a “broking member (equities)” in terms of the Listings Requirements and in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or statutory or proclaimed public holiday in South Africa;
“Certificated Shareholders”	Hulamin Shareholders who hold Certificated Shares;
“Certificated Shares”	Hulamin Shares which have not been Dematerialised in terms of the requirements of Strate, the title to which is represented by a share certificate or other Document of Title;
“Chaldean ”	Chaldean Trading 67 Proprietary Limited (Registration number 2006/037367/07), a private company incorporated in accordance with the laws of South Africa;
“CIPC”	the Companies and Intellectual Property Commission;
“the Circular” or “this Circular”	this bound document, dated 24 March 2015, containing the circular to Hulamin Shareholders and the annexures hereto, a Notice of General Meeting, and a form of proxy;
“Common Monetary Area”	South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;
“Companies Act”	Companies Act No. 71 of 2008, as amended;
“Completion Agreement”	the completion agreement between, amongst others, Hulamin, BEE SPV, Makana, Imbewu and the ESOP Trust, <i>inter alia</i> , to set out the suspensive conditions to the BEE Transaction and to regulate the implementation of the BEE Transaction;
“Completion Date”	The later of 1 June 2015, or the fifth Business Day following the fulfilment of all of the Conditions Precedent, upon which date the A1 Ordinary Shares and the A2 Ordinary Shares are issued to the ESOP Trust and the B1 Ordinary Shares, B2 Ordinary Shares and the B3 Ordinary Shares are issued to BEE SPV;
“Conditions Precedent”	the conditions precedent to which the BEE Transaction is subject, as set out in paragraph 3.13. of this Circular;
“CPI”	the headline consumer price index, with the index base being 100 (one hundred) for December 2012, as published by Statistics South Africa;
“CSDP”	a central securities depository participant, accepted as a participant in terms of the Financial Markets Act;
“Current MOI”	the Company’s MOI as at the date of this Circular;
“Deloitte”	Deloitte & Touche (Registration number 902276 (IRBA)) a professional partnership incorporated in accordance with the laws of South Africa;
“Dematerialisation” or “Dematerialised”	the process whereby Certificated Shares are converted into or held in electronic form and recorded in a sub-register of Hulamin Shareholders maintained by a CSDP or Broker;

“Dematerialised Shareholders”	Hulamin Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Hulamin Shares that have been Dematerialised;
“Directors”	the directors of Hulamin from time to time;
“Distributions”	any cash distributions (other than Dividends) to holders of the Hulamin Ordinary Shares by virtue of holding Hulamin Ordinary Shares whether by way of special or extraordinary dividends, capital distributions, return of contributed tax capital or otherwise;
“Dividend”	any interim or final ordinary cash dividend declared and paid by Hulamin to the holder of each of the Hulamin Ordinary Shares;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title, acceptable to Hulamin;
“DTI”	the Department of Trade and Industry of South Africa;
“DTI Codes of Good Practice” or “the Codes”	the Codes of Good Practice on B-BBEE, as gazetted by the Department of Trade and Industry in terms of the B-BBEE Act in Government Gazette No. 29617 on 9 February 2007, as amended, replaced or substituted from time to time;
“Eligible Employees”	current or future permanent employees of the Hulamin Group, as determined by the Board from time to time, who are allocated Employee Units by the application of the Allocation Criteria;
“Employee Beneficiary”	an Eligible Employee who acquires vested rights in the ESOP Trust upon accepting the terms of the ESOP Trust by signing an acceptance form attached to an allocation notice delivered to such Eligible Employee by his respective Employer Company;
“Employee End Date”	the fifth anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Annexure 8;
“Employee Repurchase”	the A2 Repurchase Event;
“Employee Repurchase Shares”	the A2 Repurchase Shares;
“Employee Subscription Agreement”	the subscription agreement entered into between Hulamin and the ESOP Trust dealing with the issue of the A1 Ordinary Shares and the A2 Ordinary Shares to the ESOP Trust;
“Employee Units”	the vested rights of an Employee Beneficiary in terms of the ESOP Trust Deed to <i>inter alia</i> : (i) prior to the Employee Repurchase, a number of Initial Employee Shares; and (ii) after the Employee Repurchase, a number of Remaining Employee Shares, including a <i>pro rata</i> allocation of those forming part of the Pool Employee Shares, provided that the Employee Beneficiary is still in the employ of Hulamin at the Employee End Date;
“Employer Companies”	the Company and all its subsidiaries, joint ventures and associated companies, as appropriate, which employ the Eligible Employees as contemplated in the ESOP Trust Deed;
“EPS”	earnings per Hulamin Ordinary Share;
“ESOP”	the Hulamin Employee Share Ownership Scheme;
“ESOP Contribution Agreement”	the contribution agreement between the main Employer Companies of Hulamin and the ESOP Trust, in terms of which the Employer Companies contribute the ESOP Trust Subscription Amount to the ESOP Trust;
“ESOP Trust”	the trustees for the time being of a trust established for the benefit of the Eligible Employees and registered in accordance with the laws of South Africa under Master’s reference number IT000141/2015(N);
“ESOP Trust Deed”	the trust deed establishing the ESOP Trust and setting out, <i>inter alia</i> , governance related matters pertaining to the ESOP Trust and ESOP Trust Trustees;
“ESOP Trust Subscription Amount”	the aggregate Subscription Price payable by the ESOP Trust for the A1 Ordinary Shares and the A2 Ordinary Shares, which amounts to 3,4% of the market capitalisation of Hulamin on the Completion Date (for illustrative purposes, this amounts to R97 million on the Last Practicable Date);

“ESOP Trust Trustees”	the trustees of the ESOP Trust as elected by Employee Beneficiaries following the allocation of Employee Units to Employee Beneficiaries by the Initial ESOP Trust Trustees;
“Financial Markets Act”	the Financial Markets Act 19 of 2012, as amended;
“General Meeting”	the general meeting of Hulamín Shareholders to be held at Hulamín’s offices, Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal at 15:15, or immediately after the conclusion or adjournment of the AGM, whichever is the later, on Thursday, 23 April 2015, to consider and, if deemed fit, pass with or without modification the resolutions set out in the Notice of General Meeting, and including any adjournment of such meeting;
“Good Leaver”	an Employee Beneficiary who leaves the employ of Hulamín by reason of: <ul style="list-style-type: none"> • retrenchment; • the fact that such Employee Beneficiary’s Employer Company is no longer a subsidiary, joint venture or associated company of Hulamín; • retirement; • death; and • ill-health incapacity;
“HEPS”	headline EPS as calculated in terms of circular 2/2013 on Headline Earnings issued by South African Institute of Chartered Accountants;
“Hulamín” or “the Company”	Hulamín Limited (Registration number 1940/013924/07), a public company incorporated in accordance with the laws of South Africa;
“Hulamín Group” or “the Group”	Hulamín, its subsidiaries and its interests in joint ventures and associated companies from time to time;
“Hulamín’s Increased Share Capital”	the issued share capital of Hulamín following the implementation of the Specific Issue;
“Hulamín Opco”	Hulamín Operations Proprietary Limited (Registration number 1999/020410/07), a private company incorporated in accordance with the laws of South Africa and a 100% owned subsidiary of Hulamín;
“Hulamín Ordinary Shareholders” or “Hulamín Shareholders”	the holders of Hulamín Ordinary Shares;
“Hulamín Ordinary Shares”	ordinary shares with a par value of 10 cents each in the issued ordinary share capital of Hulamín, prior to the Proposed Conversion;
“Hulamín PLS”	Hulamín’s pre-listing statement, dated 18 May 2007;
“Hulamín Shares”	collectively, Hulamín Ordinary Shares, Hulamín A Ordinary Shares and Hulamín B Ordinary Shares;
“IFRS”	International Financial Reporting Standards;
“Imbewu”	means Imbewu SPV 13 Proprietary Limited (Registration number 2013/237121/07), a private company duly incorporated in accordance with the laws of South Africa;
“Imbewu SPV 14”	means Imbewu SPV 14 Proprietary Limited (Registration number 2013/209910/07), a private company duly incorporated in accordance with the laws of South Africa;
“Income Tax Act”	the Income Tax Act 58 of 1962, as amended;
“Independent Expert”	KPMG Services Proprietary Limited;
“Initial BEE SPV Shares”	collectively, the B1 Ordinary Shares, the B2 Ordinary Shares and the B3 Ordinary Shares to be issued to BEE SPV;
“Initial ESOP Trust Trustees”	the first ESOP Trust Trustees appointed by Hulamín for purposes of signing the legal agreements and implementing the BEE Transaction and who are responsible for facilitating the election of the ESOP Trust Trustees to be appointed by the Employee Beneficiaries;
“Initial Employee Shares”	collectively, the A1 Ordinary Shares and the A2 Ordinary Shares to be issued to the ESOP Trust;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;

“King III”	King Report on Corporate Governance for South Africa – 2009;
“Last Practicable Date”	4 March 2015, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the listings requirements of the JSE, as amended;
“Makana”	means Makana Investment Consortium KZN SPV Proprietary Limited (Registration number 2006/035032/07), a private company duly incorporated in accordance with the laws of South Africa;
“Management Employees”	Hulamin employees classified under Patterson bands DU to F;
“Market Value”	in relation to a Hulamin Share, the 30-day VWAP of a Hulamin Share as at the date that is the first Business Day prior to the relevant calculation date;
“NAV”	net asset value;
“Memorandum of Incorporation” or “MOI”	the Memorandum of Incorporation of the Company as amended from time to time;
“New Strategic Partners’ BEE Transaction”	the proposed issue of B1 Ordinary Shares, B2 Ordinary Shares and B3 Ordinary Shares to BEE SPV and the future repurchase of the B1 Repurchase Shares, the B2 Repurchase Shares and the B3 Repurchase Shares;
“Non-Management Employees”	all Hulamin employees other than Management Employees;
“Notice of General Meeting”	the notice convening the General Meeting of Hulamin Shareholders on Thursday, 23 April 2015, which is attached to and forms part of this Circular;
“Notional Vendor Financed” or “NVF Mechanism”	notional vendor facilitation mechanism provided by the Company to the BEE Vehicles in connection with the BEE Transaction, pursuant to which Hulamin will issue A2 Ordinary Shares, B1 Ordinary Shares and B2 Ordinary Shares to the BEE Vehicles for a subscription price of one cent each with an obligation by Hulamin to repurchase a formula-determined number of those Subscription Shares, at the A2 Repurchase Date, the B1 Repurchase Date and the B2 Repurchase Date;
“Participants”	collectively, BEE SPV and the Employee Beneficiaries;
“Patterson Bands”	the bands as determined in accordance with the Patterson Job Grading System;
“Pool Employee Shares”	prior to the Employee Repurchase, the Initial Employee Shares and after the Employee Repurchase, the Remaining Employee Shares that are not attributable to Employee Units by virtue of Employee Units having not yet been issued, or as a result of Employee Units being cancelled in respect of Bad Leavers in terms of the relevant provisions of the ESOP Trust Deed, and which have not been allocated to Employee Beneficiaries;
“Proposed Conversion”	the proposed conversion of Hulamin Ordinary Shares from par value shares of 10 cents each to no par value shares;
“Proposed Creation”	the proposed creation of the A1 Ordinary Shares, the A2 Ordinary Shares, the B1 Ordinary Shares, the B2 Ordinary Shares and the B3 Ordinary Shares;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“Reference Price”	the price per share used for purposes of pricing the BEE Transaction, and which is utilised by the NVF Mechanism, which price is calculated on the basis of: <ul style="list-style-type: none"> i) fifty percent of the VWAP for the 30 JSE trading days preceding the Completion Date in respect of the B1 Ordinary Shares; ii) the VWAP for the 30 JSE trading days preceding the Completion Date in respect of the A2 Ordinary Shares and the B2 Ordinary Shares; and iii) nil in respect of the A1 Ordinary Shares and the B3 Ordinary Shares;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“Regulations”	the Companies Regulations, 2011, published in terms of the Companies Act, published under Government Notice R351 in Government Gazette 34239 of 26 April 2011;
“Relationship Agreement”	the relationship agreement between, amongst others, Hulamin, BEE SPV, Makana and Imbewu regulating the relationship between the parties thereto;

“Release Date”	the eighth anniversary of the Completion Date or, if applicable such other date as determined in accordance of Article 6 of Annexure 8;
“Remaining A2 Shares”	the A2 Ordinary Shares, following the A2 Repurchase Event, which are not A2 Repurchase Shares;
“Remaining B1 Shares”	the B1 Ordinary Shares, following the B1 Repurchase Event, which are not B1 Repurchase Shares;
“Remaining B2 Shares”	the B2 Ordinary Shares, following the B2 Repurchase Event, which are not B2 Repurchase Shares;
“Remaining BEE SPV Shares”	the Remaining B1 Shares and the Remaining B2 Ordinary Shares;
“Remaining Employee Shares”	the Remaining A2 Shares and the A1 Ordinary Shares;
“Reporting Accountants”	PricewaterhouseCoopers Inc., Registered Accountants and Auditors;
“Repurchase Price per share”	an amount equal to one cent for each Repurchase Share;
“Repurchase Shares”	collectively, the A2 Repurchase Shares, the B1 Repurchase Shares and the B2 Repurchase Shares;
“Revised Codes of Good Practice”	the revised codes of good practice on B-BBEE, as gazetted by the DTI on 11 October 2013 and coming into force on 30 April 2015 or such other date as determined by the DTI;
“SARS”	the South African Revenue Service;
“SBPs” or “Strategic Black Partners”	collectively, Imbewu and Makana, being the direct shareholders of BEE SPV as detailed in the Relationship Agreement;
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Specific Issue”	the specific issue of the Subscription Shares for cash by Hulamin to the BEE Vehicles, representing approximately 17,4% of Hulamin’s Increased Share Capital, in accordance with the Subscription Agreements;
“Specific Repurchase”	collectively the A2 Repurchase Event, the B1 Repurchase Event and the B2 Repurchase Event;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/06), a private company incorporated in accordance with the laws of South Africa and a registered Central Securities Depository responsible for the electronic custody and settlement system used by the JSE;
“Strategic Black Partners Lock-in Period”	the three-year period between the Vesting Date and the Release Date in respect of the Strategic Black Partners during which time there are restrictions on the disposal or encumbering of the Remaining BEE SPV Shares;
“Subscription Agreements”	collectively, the BEE SPV Subscription Agreement and the Employee Subscription Agreement;
“Subscription Prices”	the relevant price per share at which the BEE Vehicles will subscribe for the Subscription Shares;
“Subscription Shares”	collectively, the Initial Employee Shares and the Initial BEE SPV Shares;
“TNAV”	tangible NAV;
“Trading Day”	a trading day of a Hulamin Ordinary share on the JSE, being a Business Day;
“Transaction Agreements”	collectively, the Employee Subscription Agreement, the ESOP Contribution Agreement, the BEE SPV Subscription Agreement, the BEE SPV Contribution Agreement, the Completion Agreement, the BEE SPV Shareholders Agreement and the Relationship Agreement;
“VAT”	value-added tax levied in terms of the Value-Added Tax Act 89 of 1991, as amended; and
“Vesting Date”	the fifth anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Annexure 8; and
“VWAP”	volume weighted average price of a Hulamin Ordinary Share on the JSE, being the total value of the Hulamin Ordinary Shares traded for a specified period divided by the total volume of the Hulamin Ordinary Shares traded for that period.



HULAMIN

Hulamin Limited

(Incorporated in the Republic of South Africa)
(Registration number 1940/013924/06)
JSE code: HLM ISIN: ZAE000096210
("Hulamin" or "the Company")

CIRCULAR TO HULAMIN SHAREHOLDERS

1. INTRODUCTION, RATIONALE AND PURPOSE OF THIS CIRCULAR

1.1 Introduction

Hulamin announced on 15 December 2014 that it has entered into agreements to implement a broad-based BEE Transaction following the maturing of the 2007 BEE Transaction. The 2007 BEE Transaction matured during 2012 in respect of the 2007 ESOP and the 2007 MSOP transactions and in July 2014 in respect of the 2007 Strategic Partners' BEE Transaction with only limited vesting in respect of the 2007 MSOP and, as a result, Hulamin currently has minimal direct BEE shareholding.

In terms of the BEE Transaction, Hulamin will:

- Issue 31 477 333 A Ordinary Shares to the ESOP, which will be equivalent to c.8,1% of Hulamin's issued share capital post implementation of the BEE Transaction; and
- Issue 36 072 000 B Ordinary Shares to BEE SPV, which will be equivalent to c.9,2% of Hulamin's issued share capital post implementation of the BEE Transaction.

The table below indicates the breakdown of shares that will be issued pursuant to the BEE Transaction:

Class of shares	Shares in issue	Percentage interest in Hulamin
A Ordinary Shares	31 477 333	8,1
A1 Ordinary Shares	4 721 600	1,2
A2 Ordinary Shares	26 755 733	6,9
B Ordinary Shares	36 072 000	9,2
B1 Ordinary Shares	9 018 000	2,3
B2 Ordinary Shares	9 018 000	2,3
B3 Ordinary Shares	18 036 000	4,6

The BEE Transaction will result in Hulamin employees obtaining a significant ownership stake in the Company, and will achieve continued investment by the Strategic Black Partners in Hulamin for an extended period.

1.2 Rationale

As a large South African manufacturer, Hulamin's own strategy is closely aligned with the industrialisation and beneficiation objectives of the South African government. Hulamin is a key participant in the local aluminium industry, an industry that supports the South African government's broad-based BEE initiatives and recognises the importance of a sustainable and meaningful participation by Black People in the mainstream economy.

Hulamin is committed to the implementation and success of broad-based empowerment throughout the Group and has, over many years, implemented and maintained a number of initiatives relating to employment equity, skills development, preferential procurement, enterprise development and corporate social investment. This will be sustained beyond the Vesting of the BEE Transaction to maintain Hulamin's competitive position and optimal BEE rating.

In accordance with its transformation objectives, Hulamin implemented a BEE ownership transaction in 2007 with the aim of empowering its employees and Strategic Black Partners. The 2007 Strategic Partners' BEE Transaction matured in July 2014 with no value vesting for the beneficiaries, and the 2007 ESOP and 2007 MSOP matured in 2012 with little value vesting in the hands of beneficiaries. The suboptimal outcome of these transactions was largely the result of Hulamin's share price performance since inception of the schemes relative to the initial funding structure. As a result of the unwinding of the 2007 BEE Transaction, Hulamin no longer has empowerment shareholding and has insufficient empowerment points to carry forward in terms of the continuing consequences principle detailed in the Codes. Unless remedied, this will have a severe impact on Hulamin's BEE rating measured in terms of the recently revised DTI Codes of Good Practice.

A significant portion of the benefits of the BEE Transaction (approximately 83%) is intended to be spread among Hulamin's Eligible Employees, which will include all eligible non-management employees and all Black management employees.

The New Strategic Partners' BEE Transaction has been designed to promote an improved likelihood of a reasonable level of vesting for Hulamin's Strategic Black Partners, which includes a significant broad-based element, who, after investing R40 million in the Company in 2007, have participated in the Group for the past seven years and have committed to a further eight years by way of this transaction. The vesting potential of the New Strategic Partners' BEE Transaction has been capped, limiting the portion of potential benefits of the overall BEE Transaction (17%) to these parties.

The new BEE Transaction will reinforce Hulamin's reputation and commitment to the spirit of transformation and economic empowerment, sustain constructive labour relations as well as Hulamin's relations with surrounding communities.

1.3 Purpose

The purpose of this Circular and the attached Notice of General Meeting is to provide Hulamin Shareholders with relevant information relating to the BEE Transaction, the Proposed Conversion and the consequential amendments to the MOI, and to enable Hulamin Shareholders to make an informed decision as to whether or not they should vote in favour of the resolutions to be proposed at the General Meeting and to convene the General Meeting. All the requisite resolutions are set out in the Notice of General Meeting which forms part of this Circular.

2. KEY TERMS OF THE A ORDINARY SHARES AND THE B ORDINARY SHARES

Annexure 8, which contains Schedule B to the MOI, sets out the terms of the A Ordinary Shares and the B Ordinary Shares.

3. SUMMARY OF KEY TERMS OF THE BEE TRANSACTION

3.1 Proposed Creation and Proposed Conversion

3.1.1 Proposed Creation

In order to ensure that Hulamin has sufficient appropriate authorised but unissued ordinary share capital to implement the BEE Transaction, Hulamin proposes creating the A1 Ordinary Shares, the A2 Ordinary Shares, the B1 Ordinary Shares, the B2 Ordinary Shares and the B3 Ordinary Shares, which are no par value shares. Hulamin further proposes cancelling the existing unissued 'A' ordinary shares and 'B1', 'B2' and 'B3' ordinary shares that were created for the 2007 BEE Transaction.

3.1.2 Proposed Conversion

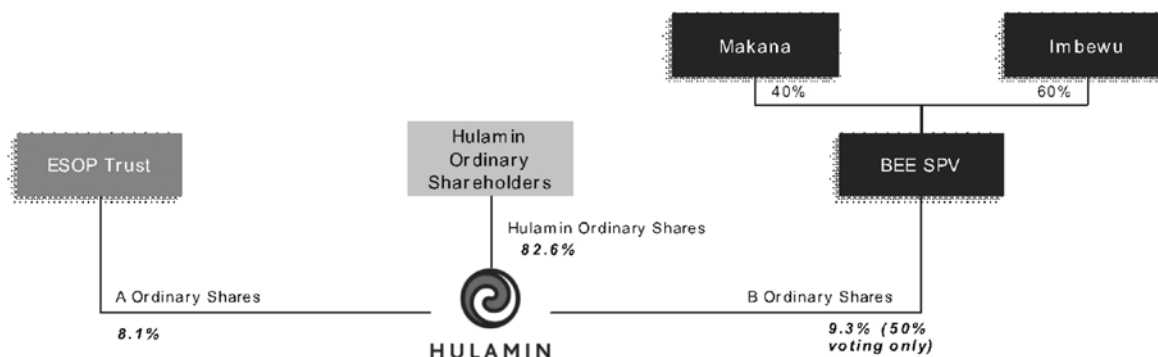
In terms of the Regulations promulgated under the Companies Act, a Company is not permitted to create any new par value shares, or shares having a nominal value, on or after 1 May 2011. Accordingly, Hulamin proposes converting its authorised (unissued and issued) par value shares into no par value shares so that all Hulamin Ordinary Shares are no par value shares. Annexure 7 contains a report from the Board in relation to the Proposed Conversion.

3.2 Amending Hulamin's MOI

Hulamin proposes amending its Current MOI in order to give effect to the cancellation of the shares created for the 2007 BEE Transaction and the Proposed Creation and the Proposed Conversion as contemplated in paragraph 3.1 above.

3.3 Post-transaction BEE shareholding structure

The diagram below provides a view of the shareholding structure post the implementation of the BEE Transaction:



3.4 Details of BEE SPV participation

3.4.1 Issue of B Ordinary Shares to BEE SPV

The salient terms of the B Ordinary Shares are as follows:

- 9 018 000 B1 Ordinary Shares will be issued to BEE SPV at 50% discount to the 30-day VWAP of the Hulamin Ordinary Shares as calculated on the day prior to the Completion Date. The B1 Ordinary Shares will be NVF funded and have no funding cost attached thereto. The B1 Ordinary Shares will have a five-year vesting period and a three-year post-vesting lock-in. B1 Ordinary Shares will have voting rights which rank *pari passu* with Hulamin Ordinary Shares;
- 9 018 000 B2 Ordinary Shares will be issued to BEE SPV at the Reference Price of the 30-day VWAP of the Hulamin Ordinary Shares as calculated on the day prior to the Completion Date. The B2 Ordinary Shares will be NVF funded and have no funding cost attached thereto. The B2 Ordinary Shares will have a five-year vesting period and a three-year post-vesting lock-in. B2 Ordinary Shares will have voting rights which rank *pari passu* with Hulamin Ordinary Shares;
- The values of the B1 Ordinary Shares and B2 Ordinary Shares will be capped (i.e. no incremental value will accrue to holders of B1 Ordinary Shares and B2 Ordinary Shares should Hulamin's share price exceed the cap at the date upon which the B1 Ordinary Shares and B2 Ordinary Shares vest) such that the aggregate economic cost of the B1 Ordinary Shares and B2 Ordinary Shares will not exceed R20 million as at the date of issue;
- 18 036 000 B3 Ordinary Shares will be issued to BEE SPV at nominal value. B3 Ordinary Shares will have voting rights which rank *pari passu* with Hulamin Ordinary Shares and will have an eight year term; and
- All B ordinary shares will carry no right to dividends.

The Reference Price and value caps of the B1 Ordinary Shares and B2 Ordinary Shares will be determined on the Completion Date. For illustrative purposes, the value of the Reference Price and value caps of the shares, calculated as at the Last Practicable Date, is as follows:

Class of share	Number of shares	% holding	Reference Price (R)	Cap (R)	Term	IFRS2 cost (R)	Comment
B1 ordinary shares	9 018 000	2,3	4.41 (50% discount)	9.43	five years plus three-year post-vesting lock-in	18 286 165	Cap to maintain total IFRS 2 cost at R20 million No entitlement to dividends
B2 ordinary shares	9 018 000	2,3	8.82	9.43	five years plus three-year post-vesting lock-in	1 713 835	Cap to maintain total IFRS 2 cost at R20 million No entitlement to dividends
B3 ordinary shares	18 036 000	4,6	-	n/a	eight years	-	Voting only shares
Total	36 072 000	9,2			five years plus three-year post-vesting lock-in/ eight years	20 000 000	

3.4.2 **Subscription for the BEE SPV Shares**

Hulamin will issue the Initial BEE SPV Shares to BEE SPV, at the BEE SPV Subscription Amount, on the Completion Date. Hulamin will contribute an amount to BEE SPV to enable BEE SPV to subscribe for the BEE SPV Shares.

The BEE SPV Shares will be held by BEE SPV for five years post the Completion Date. BEE SPV will be restricted from encumbering or transferring the BEE SPV Shares before the expiry of such period.

3.4.3 **BEE SPV Repurchase Shares and Conversion to Hulamin Ordinary Shares**

Hulamin shall repurchase a number of the B1 Ordinary Shares and B2 Ordinary Shares, determined in accordance with the relevant BEE SPV Repurchase Formulae, at a nominal amount on the Vesting Date. The BEE SPV Repurchase Formulae will effectively allow Hulamin to recover the outstanding amount of the NVF on the Vesting Date.

On the Vesting Date, the Remaining B1 Ordinary Shares and the Remaining B2 Ordinary Shares will be converted to Hulamin Ordinary Shares. BEE SPV will be restricted from encumbering or transferring these shares until after the Strategic Black Partners Lock-in Period.

Hulamin will repurchase all of the issued B3 Ordinary Shares at the conclusion of the eighth anniversary of the subscription date.

3.4.4 **Salient terms of the Relationship Agreement**

The Relationship Agreement has been entered into between Hulamin, BEE SPV, shareholders of BEE SPV, namely Imbewu and Makana, and direct and certain indirect shareholders of Imbewu and Makana and regulates, *inter alia*, the ongoing relationship between the parties for the duration of the BEE Transaction (including for the Strategic Black Partners Lock-in Period).

In terms of the Relationship Agreement, Hulamin undertakes to pay to BEE SPV a BEE support fee of R850 000 per year (in quarterly instalments) for the eight-year term of the transaction, escalating at a rate of 6% per annum, for the reasonable operating expenditure requirements of BEE SPV. As soon as reasonably practicable after receiving the quarterly instalment of the BEE Support Fee, BEE SPV and each of its direct and indirect shareholders undertake to distribute the total amount of the BEE Support Fee received to their respective shareholders (if it is a corporate) or beneficiaries (if it is a trust) in proportion to their respective shareholdings or in accordance with the applicable trust deed (as the case may be), after deducting the amount of reasonable operating expenditure requirements (if any) and any applicable taxes.

The Relationship Agreement requires that BEE SPV and its direct shareholders, Imbewu and Makana, maintain a specified minimum shareholding percentage in respect of black ownership and black women ownership ("Required BEE Shareholding Threshold"), failing which a compulsory offer is triggered in terms of which Hulamin is entitled to purchase the shares from BEE SPV at a purchase price determined in accordance with the provisions of the Relationship Agreement. BEE SPV and the BEE SPV Shareholders are restricted from listing any of the ordinary shares in BEE SPV or the BEE SPV Shareholders on any securities exchange at any time prior to the Release Date without the prior written consent of Hulamin.

BEE SPV is entitled to nominate one representative for appointment as director on the board of directors of Hulamin and one or more alternates to him/her and to remove, replace (by way of nomination) and fill any vacancies (by way of nomination) in respect of any such director or alternate director for so long as (i) BEE SPV controls at least 9% of the voting rights in Hulamin, or (ii) until the Release Date is reached, whichever is the earlier.

The Relationship Agreement incorporates numerous safeguards which seek to maintain the current relationship in order to attain the BEE objectives. This includes deemed offer provisions which are triggered by the happening of certain specified events and an extensive pre-emptive rights provision establishing a mechanism by which existing parties to the Relationship Agreement are given a right of first refusal in respect of shares which will potentially be sold by another party to a third party. Hulamin has the ultimate right to decide whether or not to take up any shares before they may be sold to any third party. In addition, the Relationship Agreement requires that any third party purchaser is also an eligible Black Person.

A further safeguard contained in the Relationship Agreement is the change of control provision. A change of control occurs if either (i) an offer is made by any third party for all of the shares in Hulamin or such number of shares necessary to trigger the mandatory offer provisions contained in section 123 of the Companies Act, and/or (ii) Hulamin is delisted from the JSE Limited. In the event that such a change of control occurs, BEE SPV shall be entitled to either: (i) accelerate the Vesting Date (as defined in the Hulamin Memorandum of Incorporation) if such a change of control occurs prior to the Vesting Date; (ii) accept the offer made by the third party; or (iii) remain invested in Hulamin. Should BEE SPV elect to remain invested in Hulamin, BEE SPV shall be entitled (at the Release Date) to put all of its shares in Hulamin to Hulamin and Hulamin shall be obliged to acquire the shares so put in accordance with the provisions of the Relationship Agreement.

3.4.5 **Background information on BEE SPV**

Imbewu SPV 14 has been formed to include shareholders who are essentially the same as those involved in the 2007 Strategic Partners' BEE Transaction other than a few shareholders who decided not to participate in the BEE Transaction. The two shareholders in Imbewu SPV 14 are Imbewu (60%) and Makana (40%) and the salient details of the ownership of these entities are set out below:

3.4.5.1 *Imbewu*

The shareholders of Imbewu are:

Shareholder	Percentage interest in Imbewu
Imbewu Capital Partners	48,70
Moputso Investments	16,67
J B Magwaza	16,29
Monica Malunga	14,27
Omame Investments	4,07

The Imbewu consortium is led by Imbewu Capital Partners, a Black controlled private equity and investment holding company. Gcina Zondi is the founding Chief Executive and a 40% shareholder of Imbewu Capital Partners and J B Magwaza, a current member of the Hulamin Board, is the non-executive chairman.

Omame Investments is a private company managed and owned by a group of 15 multi-skilled, Black women professionals with strong entrepreneurial skills.

Monica Malunga is the Chairperson of Imbewu Capital Partners Development Trust which has the objective of contributing towards building and enhancing the quality of life of underprivileged Black children and youth primarily residing in KwaZulu-Natal. She is a Trustee of Umgeni Water Provident Fund and a previous Board member of the Black Management Forum.

Shareholders of Moputso Investments are mainly broad-based groupings, comprising Emzansi Investment Trust (36%), NSBE Investment Trust (37%) and BSC Investment Trust (27%).

Sipho Madonsela, a Pietermaritzburg-based businessman who founded and is currently the Chief Executive of Emzansi Consulting Engineers, a firm of 55 professional engineers specialising in civil, mechanical and electrical engineering, is the major beneficiary of the Emzansi Investment Trust, with an 84% stake. He is currently the CEO of the Engineering Council of South Africa.

The NSBE Investment Trust represents the interests of 87 engineers who are members of the National Society of Black Engineers.

The BSC Investment Trust represents the interests of 56 small, medium and mid-size entities associated with the Business Support Centre ("BSC") in Pietermaritzburg. BSC is an organisation focused on the development of black micro enterprises in and around the Pietermaritzburg area. BSC's objective is to source and establish business opportunities for small and medium sized enterprises and support their development. BSC has been operating since 1996 and Hulamin has been a supportive partner since its inception.

3.4.5.2 Makana

The shareholders of Makana are:

Shareholder	Percentage interest in Makana
Makana Investment Corporation	60,0
Makana Trust	51,0
African Sky	22,5
Autshumatu Investments	16,5
Wild Orchard Investments	10,0
Makana Investment KZN	40,0
Makana Investment Corporation	40,0
Ex-Political Prisoners Committee KZN NPC	40,0
Ex-Political Prisoners Committee KZN Management Company	20,0

Makana Investment Corporation was formed as a commercial entity to enable former political prisoners to participate in the South African economy. Makana Investment Corporation has broad-based representation and is the majority shareholder in Makana with a 60% direct stake.

The majority shareholder of Makana Investment Corporation is Makana Trust (51%). Makana Trust was established in 1996 to address the needs of ex-political prisoners and supports the Ex-Political Prisoners Committee (EPPC) which has an estimated 3 300 former political prisoners and a further estimated 49 000 of their dependents as beneficiaries. The current trustees of Makana Trust are Adv Gcina Malindi SC, Rev Dr Vukile Mehana, Notty Ngcobo, and Prof John Samuel.

Peter-Paul Ngwenya is a founder member and executive chairman of Makana Investment Corporation. Peter-Paul is a 22,5% shareholder in Makana Investment Corporation through African Sky.

Autshumatu Investments (22,5%) is 100% Black owned and was founded in 1997 by former Robben Island inmates, including Sfiso Buthelezi, the former economic advisor to the MEC of the province of KwaZulu-Natal.

Wild Orchard Investments (10%) is an investment company that is 83% black owned and controlled.

Makana Investment KZN is a 40% shareholder in the Makana Consortium. The company was formed to take advantage of local SMME business opportunities in KwaZulu-Natal and enable KwaZulu-Natal-based ex-political prisoners to benefit from growth opportunities in the province. Its shareholders include Makana Investment Corporation (40%) and Ex-Political Prisoners Committee KZN (40%) which is a non-profit company. The Ex-Political Prisoners Committee KZN Management Company has a 20% stake in Makana Investment KZN.

3.5 Details of the ESOP Trust

3.5.1 Establishment of the ESOP Trust

Hulamin has established the ESOP Trust for the purpose of holding the A Ordinary Shares for the benefit of the Employee Beneficiaries. Eligible Employees will become vested beneficiaries to the capital and income thereof by formally accepting an offer to become Employee Beneficiaries as contained in an allocation notice.

The ESOP Trust and trust property will be managed by the ESOP Trust Trustees. Three of the ESOP Trust Trustees will be elected by the Employee Beneficiaries and two of the ESOP Trust Trustees will be elected by Hulamin. Around 95% of the employee beneficiaries of the ESOP Trust will be historically disadvantaged Black People.

3.5.2 **Structure of the ESOP**

The ESOP will be allocated two different tranches of A Ordinary Shares (A1 Ordinary Shares and A2 Ordinary Shares). The shares will bear the following characteristics:

4 721 600 A1 Ordinary Shares will be issued at nominal value (i.e. will be free or grant shares). To the extent that ordinary dividends are declared on Hulamin Ordinary Shares, dividends will accrue to the A1 Ordinary Shares. The A1 Ordinary Shares will have a five-year vesting period; and

26 755 733 A2 Ordinary Shares will be issued at the Reference Price of the 30-day VWAP of the Hulamin Ordinary Shares as calculated on the day prior to the Completion Date. The A2 Ordinary Shares will be NVF funded and have no funding cost attached thereto. The A2 Ordinary Shares will have a five year vesting period. To the extent that dividends are declared on Hulamin Ordinary Shares, dividends that accrue to the A2 Ordinary Shares will be utilised to service the NVF against those shares. In addition, the value of the A2 Ordinary Shares will be capped (ie no incremental value will accrue to holders of A2 Ordinary Shares should Hulamin's share price exceed the cap price at the Vesting Date) such that the aggregate economic cost of the A1 Ordinary Shares and the A2 Ordinary Shares will equal 3,4% of Hulamin's market capitalisation on the date of issue.

The Reference Price and value caps of the A1 Ordinary Shares and A2 Ordinary Shares will be determined on the Completion Date. For illustrative purposes, the value of the Reference Price and value caps of the shares, calculated as at the Last Practicable Date, is as follows:

Class of share	Number of shares	% holding	Reference Price (R)	Cap (R)	Term	IFRS 2 cost (R)	Comment
A1 ordinary shares	4 721 600	1,2	Nil	N/A	5 years	42 022 000	<ul style="list-style-type: none"> Grant shares Entitlement to cash dividends
A2 ordinary shares	26 755 733	6,9	8.82	17.68	5 years	54 688 000	<ul style="list-style-type: none"> Cap to maintain total IFRS2 cost at 3,4% of market cap Dividends reduce NVF
Total	31 477 333	8,1			5 years	96 710 000	

3.5.3 **Appointment of ESOP Trust Trustees**

Hulamin will appoint Marlene Antoinette Janneker and Zamani Moses Mkhize as the Initial ESOP Trust Trustees for purposes of signature of legal agreements and implementing the BEE Transaction. Such Initial ESOP Trust Trustees will be members of the Hulamin executive management as approved by the Board and will facilitate the election of the ESOP Trust Trustees to be appointed by the Employee Beneficiaries, which is expected to be no later than 180 days after the allocation of Employee Units to Employee Beneficiaries by the Initial ESOP Trust Trustees.

The majority of the Trustees will be Black Persons, excluding any Director of Hulamin, and will be constituted as follows:

- 2 Trustees appointed by Hulamin; and
- 3 Trustees elected by the Employee Beneficiaries as stipulated in the ESOP Trust Deed.

3.5.4 **Subscription for the Employee Shares**

Hulamin will issue the A Ordinary Shares to the ESOP Trust, at the ESOP Trust Subscription Amount, on the Completion Date. Hulamin Employer Companies will contribute the ESOP Trust Subscription Amount to the ESOP Trust in order to enable the ESOP Trust to subscribe for the Initial Employee Shares.

3.5.5 **Allocation of Employee Units**

Hulamin will apply the Allocation Criteria as determined by the Hulamin Board in order to determine which of the Eligible Employees are to become Employee Beneficiaries, and how many Employee Units should be allocated to such Employee Beneficiaries. Hulamin will then deliver an allocation notice to each selected Eligible Employee specifying, *inter alia*, the number of Employee Units that are to be vested in the Eligible Employee from inception, which represent vested rights. Employee Units will provide Employee Beneficiaries with a vested right to a number of Initial Employee Shares held by the ESOP Trust.

3.5.6 **Lock-in**

The Employee Shares will be held in the ESOP Trust for the duration of the five-year vesting period for the beneficial interest of the Employee Beneficiaries, and may not be disposed of before the Employee End Date, unless specifically provided for in terms of the ESOP Trust Deed.

3.5.7 **Participation in the ESOP Trust**

To qualify to participate in the ESOP Trust, an employee must be a permanent employee of an Employer Company of Hulamín. An employee must also fall into Patterson Bands DL or below, or be a Black employee should they fall into Patterson Bands DU or above. Thus, non-Black management will not be eligible to participate in the ESOP Trust.

3.5.8 **Employee Repurchase Shares and Conversion to Hulamín Ordinary Shares**

Hulamín shall repurchase a number of A2 Ordinary Shares, determined in accordance with the A2 Repurchase Formula, at a nominal amount on the Vesting Date. The A2 Repurchase Formula will effectively allow Hulamín to recover the outstanding amount of the NVF on the Vesting Date.

On the Vesting Date, all A1 Ordinary Shares and the Remaining A2 Ordinary Shares will be converted to Hulamín Ordinary Shares on a one-for-one basis and the ESOP Trust Trustees will distribute these ordinary shares to each Employee Beneficiary according to the beneficiary's allocation rights.

3.5.9 **Events influencing benefits to be received**

If an Employee Beneficiary leaves the employ of Hulamín by reason of dismissal on the grounds of misconduct or poor work performance or resignation prior to the Employee End Date, such Employee Beneficiary shall forfeit his/her Employee Units and shall be deemed to have transferred and ceded (and the ESOP Trust Trustees shall be deemed to have accepted such transfer and cession) his/her Employee Units, to the ESOP Trust for no consideration, and he/she shall cease to be an Employee Beneficiary.

If an Employee Beneficiary leaves the employ of Hulamín as a Good Leaver prior to the Employee End Date, such Employee Beneficiary shall be deemed to have transferred and ceded (and the ESOP Trust Trustees shall be deemed to have accepted such transfer and cession) to the ESOP Trust for no consideration such proportion of his/her Employee Units as the period from the date on which the termination of employment occurs to the Vesting Date bears to the period from the date of allocation of the Employee Units to the Vesting Date and will be deemed to have remained in the employ of an Employer Company for the purposes of ESOP Trust Deed in respect of the balance of their Employee Units.

If an Employee Beneficiary leaves the employ of Hulamín after the Employee End Date, such Employee Beneficiary shall not forfeit his/her Employee Units.

Employee Units transferred and ceded to the ESOP Trust shall be available for re-allocation to remaining Employee Beneficiaries by an allocation committee.

3.5.10 **Administration**

3.5.10.1 All reasonable costs, expenses and taxes incurred and payable by the ESOP Trust in relation to the operation of the ESOP Trust will be borne by the ESOP Trust, failing which, if such costs are reasonable and market-related, these will be borne by Hulamín.

3.5.10.2 If required, Hulamín will facilitate the appointment an administrator to administer the affairs of the ESOP Trust.

3.6 **Vesting and lock-in**

The BEE Vehicles may not dispose of or encumber their Subscription Shares during the five year period following the Completion Date. The Strategic Partners will be further locked in for the Strategic Black Partners Lock-in Period, during which time the Strategic Black Partners may also not dispose of or encumber their Subscription Shares.

3.7 Dividends and other Distributions

During the five-year period following the Completion Date, the holders of the A Ordinary Shares will be entitled to dividends to the extent that these are declared and paid on Hulamin Ordinary Shares. Dividends accruing to the A1 Ordinary Shares will be paid in cash, and dividends accruing to the A2 Ordinary Shares will be applied to reduce the Notional Vendor Finance against these shares. The B Ordinary Shares will not be entitled to receive dividends.

3.8 Voting

The BEE Vehicles will be entitled to exercise all voting rights attached to the Subscription Shares of which they are the registered owner until the Subscription Shares are either repurchased by Hulamin or are converted to Hulamin Ordinary Shares and are transferred to the Participants, following which the new holders of the Hulamin Shares shall be entitled to exercise all voting rights attached to the shares received. The Trustees will vote the A Ordinary Shares on behalf of the ESOP according to the instructions received from the beneficiaries.

3.9 Corporate Actions

In the event of a change in control of Hulamin:

- In relation to the B Ordinary Shares, BEE SPV shall be entitled to elect that the Vesting Date is accelerated and that any lock-in period falls away; and
- In relation to the A Ordinary shares, Hulamin shall be entitled to accelerate the Vesting Date thereof.

3.10 Fairness opinion

According to sections 4.24 and 5.5.1, read together with section 10, of the JSE Listings Requirements, the following Directors who are participating in the BEE Transaction through BEE SPV are viewed as related parties to the Company for the purposes of the Listings Requirements:

- J B Magwaza; and
- S P Ngwenya.

In addition, given that unlisted securities are to be issued pursuant to the BEE Transaction and these unlisted securities will contain voting rights which rank *pari passu* to those of Hulamin Ordinary Shares, a fairness opinion is required in terms of the Listings Requirements.

Furthermore, due to the fact that the A Ordinary Shares and the B Ordinary Shares are to be issued at a discount to the current market price of a Hulamin Ordinary Share and the fact that Hulamin will provide an element of financial assistance in relation to the BEE Transaction, a fairness opinion is required in terms of the Listings Requirements.

In light of the above, KPMG was appointed as the independent expert and has considered the terms and conditions of the BEE Transaction and is of the opinion that the terms and conditions of the BEE Transaction, as contemplated, are fair to Hulamin Shareholders. The Board has been advised accordingly and copies of the KPMG opinion in this regard are attached as Annexure 3 to this Circular.

3.11 Directors' opinion

The Board has considered the opinion of the Independent Expert attached as Annexure 3 to this Circular and the BEE Transaction in light of the rationale for the proposed participation as set out in paragraph 1.2 above and is of the opinion that the BEE Transaction is in the interests of Hulamin Shareholders and is fair to all Hulamin Shareholders and recommends that Hulamin Shareholders vote in favour of the relevant resolutions at the General Meeting.

The Directors of Hulamin who hold direct and/or indirect interests in Hulamin, and who are not related to the related parties and are entitled to vote, have undertaken, to vote in favour of the resolutions to be proposed at the General Meeting and required to implement the BEE Transaction in respect of all of the Hulamin Shares beneficially held by them.

3.12 **Estimated economic costs**

The estimated economic cost of implementing the BEE Transaction for the Company and Hulamin shareholders, excluding the BEE Support Fee, is R117 million, based on Hulamin's market capitalisation of R2 844 billion on the Last Practicable Date, and is allocated to the BEE Vehicles as follows:

- R97 million relating to the ESOP Trust (representing approximately 3,4% of the market capitalisation of Hulamin on the Last Practicable Date) which is to be amortised over the vesting period; and
- R20 million relating to BEE SPV and is to be expensed in full on the date of issue of the B Ordinary Shares.

This represents approximately 4,1% of the market capitalisation of Hulamin on the Last Practicable Date

This figure was calculated with reference to the requirements of IFRS, including IFRS 2 – Share-based Payments.

The actual economic cost of the transaction will depend on the market capitalisation of Hulamin on the date of issue of the A Ordinary Shares and B Ordinary Shares to the BEE parties.

3.13 **Conditions precedent**

All the provisions of the Transaction Agreements are subject to the fulfilment of the following conditions:

- all the relevant shareholder approvals as set out in this Circular being duly obtained;
- the amendments to Hulamin's MOI (as set out in this Circular) being filed with CIPC;
- the directors or trustees, as the case may be, of each of the parties authorising the entry into and implementation of the transaction agreements to which that party is a party;
- the BEE SPV memorandum of incorporation being adopted, and filed with the CIPC;
- the memorandum of incorporation (in the case of a company) and/or the trust deed (in the case of a trust) of each of the relevant direct and indirect shareholders of BEE SPV being amended to take into account the relevant provisions of the transaction documents (in so far as it is applicable to it), and any such amendments being filed with the CIPC;
- Hulamin being satisfied that there has been no change in the BEE status, the shareholding structures and accompanying contractual arrangements of the BEE SPV and relevant direct and indirect shareholders thereof;
- Hulamin confirming in writing (after having consulted with BEE SPV) that it is satisfied that, through the implementation of the BEE Transaction, the BEE SPV and the direct shareholders of the BEE SPV will have met the Required BEE Shareholding Threshold; and
- there being no breach of any of the representations, warranties or undertakings contained the Completion Agreement between the period commencing on the signature date and ending on the Completion Date.

3.14 **Specific authority to provide financial assistance to the BEE Vehicles**

The contribution by Hulamin Employer Companies to enable the ESOP Trust and BEE SPV to subscribe for the Initial Employee Shares and the Initial BEE SPV Shares constitutes the provision of financial assistance by Hulamin in terms of section 44 of the Companies Act. In addition, the facilitation through the NVF Mechanism to the BEE Vehicles will constitute the provision of financial assistance by Hulamin to the BEE Vehicles, in terms of section 44 of the Companies Act the Board may not authorise the provision of such financial assistance unless such financial assistance is pursuant to a special resolution of shareholders adopted within the previous two years, which approved the provision of such financial assistance either for a specific recipient or generally for a category of potential recipients and the specific recipient falls within that category.

The facilitation through the NVF Mechanism to the BEE Vehicles will also constitute the provision of indirect financial assistance by Hulamin to the Directors participating through BEE SPV and the ESOP Trust, as contemplated in section 45(2) of the Companies Act. In terms of section 45 of the Companies Act, the Board may not authorise Hulamin to provide direct or indirect financial assistance to, among others, a director or prescribed officer of the Company or of a related or inter-

related company or a person (including a trust) related to Hulamin unless, among other things, the particular provision of the financial assistance is pursuant to a special resolution of shareholders adopted within the previous two years, which approved the giving of such financial assistance either for a specific recipient or generally for a category of potential recipients and the specific recipient falls within that category. Accordingly, the provision of financial assistance to BEE SPV and the ESOP Trust under the BEE Transaction also requires a special resolution in terms of section 45 of the Companies Act.

Please refer to paragraphs 3.4 (Details of BEE SPV participation) and 3.5 (Details of the ESOP Trust) for the details relating to and pertaining to the specific authority to provide financial assistance to the BEE Vehicles.

4. **WORKING CAPITAL ADEQUACY**

The Directors have considered the effect of the BEE Transaction and are of the opinion that the provisions of sections 4 and 48 of the Companies Act and the requirements of the Listings Requirements have been complied with and that:

- Hulamin and the Hulamin Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of approval of the Circular (for this purpose the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited annual results for the year ended 31 December 2014);
- the assets of Hulamin and the Hulamin Group will be in excess of the liabilities of Hulamin and Hulamin Group for a period of 12 months after the date of the Circular;
- the ordinary share capital and reserves of Hulamin and the Hulamin Group will be adequate for ordinary business purposes for a period of 12 months after the date of the Circular; and
- the working capital of Hulamin and Hulamin Group will be adequate for ordinary business purposes for a period of 12 months after the date of the Circular.

Hulamin and the Hulamin Group have passed the solvency and liquidity test and, since the test was performed, there have been no material changes to the financial position of Hulamin or the Hulamin Group.

5. **PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTION**

The *pro forma* financial effects of Hulamin presented below are the responsibility of the Directors and are based on the most recently published audited results of Hulamin for the year ended 31 December 2014.

The accounting policies of Hulamin for the year ended 31 December 2014 have been used in preparing the *pro forma* financial effects.

The *pro forma* financial effects are the responsibility of the Directors and were prepared for illustrative purposes only and may, due to the nature thereof, not fairly present Hulamin's financial position, changes in equity, and results of its operations or cash flows as at the relevant reporting date. It does not purport to be indicative of what the financial results would have been, or will be, had the Transaction been implemented on a different date.

The Company wishes to highlight that the earnings and headline earnings per share impacts shown below are magnified as the BEE SPV related economic cost will be expensed in full at the Completion Date. In accordance with IFRS 2 requirements the economic cost relating to the ESOP Trust will be amortised over the NVF Period. As a result, the total IFRS 2 charge will reduce in years two to five.

The BEE Support Fee and the transaction costs will also not impact the earnings and headline earnings per share in years two to five. The BEE Support Fee is recognised as an upfront cost in terms of IFRS and expensed at the outset.

The *pro forma* financial effects should be read in conjunction with the notes thereto and the report of the Independent Reporting Accountants (Annexure 2). The detailed *pro forma* Income Statement and Balance Sheet are set out in Annexure 1.

Pro forma per share information for the year ended 31 December 2014

The *pro forma* historical financial effects of the BEE Transaction are as follows:

For the year ended 31 December 2014	Pro forma after the BEE Transaction		Net impact	% change
	Before	Transaction		
Net asset value (NAV) per share (cents)	1 200	1 197	(3)	(0,25)
Tangible net asset value (TNAV) per share (cents)	1 181	1 178	(3)	(0,25)
Earnings per share (cents)	120	106	(14)	(11,67)
Diluted earnings per share (cents)	118	101	(17)	(14,41)
Headline earnings per share (cents)	112	97	(15)	(13,39)
Diluted headline earnings per share (cents)	110	93	(17)	(15,45)
Weighted average number of shares in issue	319 515 636	319 515 636		
Diluted weighted average number of shares in issue	326 375 987	334 553 129		

Notes:

1. The EPS, diluted EPS, HEPS, NAV and TNAV per Hulammin Ordinary Share are based on the audited results for the year ended 31 December 2014.
2. The EPS, diluted EPS and HEPS "*Pro forma* after the BEE Transaction" for 31 December 2014 are based on the assumption that the BEE Transaction was implemented on 1 January 2014, and includes the following:
 - 2.1 an IFRS 2 charge of R39,3 million (of which R20,0 million relates to the BEE SPV) for the year ended 31 December 2014, estimated based on the market capitalisation of Hulammin on the Last Practicable Date of R2 844 billion;
 - 2.2 transaction costs associated with the implementation of the BEE Transaction estimated at R9,8 million, which are not recurring in nature;
 - 2.3 an up-front provision for the BEE Support Fee, determined as the present value of the BEE support fee payments over the eight-year term of the transaction, in the amount of R5,1 million; and
 - 2.4 for accounting purposes, the Hulammin Shares issued to the BEE Vehicles are treated in a manner similar to that of an option. Consequently, these Hulammin Shares are being treated as potential Hulammin Shares for the purpose of calculating diluted EPS.
3. For a full understanding of Hulammin's ordinary share capital and weighted average number of shares before the BEE Transaction, refer to Hulammin's December 2014 annual financial statements. A detailed analysis of Hulammin's ordinary share capital is detailed in paragraph 10.4.
4. There are no material post-balance sheet events which require adjustment to the *pro forma* financial effects.

6. CHANGES TO THE ORDINARY SHARE CAPITAL OF HULAMMIN

6.1 Proposed Conversion

In terms of Regulation 31 of the Regulations, a Company which has any outstanding issued par value or nominal value shares may not increase the number of those authorised shares on or after 1 May 2011. The Company will thus be required to convert its current authorised shares and issued shares to shares with no nominal or par value should it wish to increase its authorised shares. Therefore, in order to comply with the Companies Act, the Board proposes a conversion of the current authorised shares and issued shares into shares of no par value. The preferences, rights, limitations and other terms attaching to the no par value shares in the Company will be the same as the preferences, rights, limitations and other terms which are attached to the current authorised shares and issued shares, immediately prior to their conversion into no par value shares.

In accordance with Regulations 31(6), (7) and (8) of the Regulations, the special resolution envisaged in Regulation 31(6) and the Board report envisaged in Regulation 31(7) are set out in the Notice of General Meeting and Annexure 7 to this Circular, respectively. In accordance with Regulation 31(8), the special resolution and the Board report will be submitted to CIPC and SARS at the same time that this Circular is posted to Hulammin Shareholders.

6.2 Proposed Creation

The BEE Transaction will entail the issue of 31 477 333 A Ordinary Shares and 36 072 000 B Ordinary Shares. In order to implement the BEE Transaction it will be necessary for the Company to create 31 477 333 A Ordinary Shares and 36 072 000 B Ordinary Shares.

The authorised and issued shares of the Company, prior and subsequent to the BEE Transaction, are detailed in paragraph 10.4 below.

Due to the nature of the BEE Transaction, the funds received by Hulammin from the subscription will be used for normal operations of the Company.

7. AMENDMENT OF THE MOI

In order to give effect to the provisions of paragraphs 6.1 and 6.2 (Proposed Conversion and Proposed Creation) above, the Board proposes that the Company amends the MOI. The amendments to the MOI are set out in the Notice of General Meeting and Annexure 8.

The New MOI will be available for inspection at the registered offices of Hulamín during business hours from 08:00 to 16:30.

8. TRANSACTION COSTS

The estimated cost of the BEE Transaction to Hulamín (VAT exclusive) is set out below:

Service	Service provider	Amount (R)
Transaction advisor and sponsor	Rand Merchant Bank	7 500 000
Legal	Bowman Gilfillan	870 000
Independent Expert	KPMG	475 000
Valuation expert	Deloitte	125 000
Tax Advisor	Ernst & Young	225 000
Empowerment advisor	Empowerdex	85 000
Publishing and printing	Ince (Pty) Ltd	100 000
JSE listing fee	JSE Issuer Services	75 407
JSE documentation inspection fee	JSE Issuer Services	52 231
Reporting Accountants	PricewaterhouseCoopers	340 000
Total		9 847 638

There have been no preliminary expenses incurred by Hulamín within the three years preceding the date of this Circular.

9. GENERAL MEETING

The General Meeting of Hulamín Shareholders to consider and, if deemed fit, pass with or without modifications the resolutions set out in the Notice of General Meeting, will be held on Thursday, 23 April 2015 at 15:15 or as soon as the AGM is concluded in the Simunye meeting room at Hulamín's offices, Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal.

The Notice of General Meeting and a form of proxy (*green*) for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration who are unable to attend the General Meeting are attached to this Circular. A duly completed form of proxy (*green*) must be received by the Transfer Secretaries by no later than 15:15 on Tuesday, 21 April 2015.

10. SALIENT INFORMATION ON HULAMIN

10.1 Background information on Hulamín

Hulamín is a leading, mid-stream aluminium semi-fabricator and fabricator of aluminium products located in Pietermaritzburg, KwaZulu-Natal and Midrand, Gauteng, supported by sales offices in South Africa, Europe and the USA. As the only major aluminium rolling operation in sub-Saharan Africa, Hulamín is one of the largest mineral beneficiating exporters in South Africa, with over 60% of its sales exported to leading manufacturers around the world, focusing on specific product and end-use markets.

Hulamín is committed to the growth of the regional Southern African aluminium industry and making a meaningful contribution to sustainable development in Southern Africa. Hulamín employs around 2 000 people and contributes materially to the sustainability of the local Pietermaritzburg community.

The origin of Hulamín dates back to 1935 when the Aluminium Company of Canada Limited (Alcan) opened a sales office in South Africa, which was followed in 1940 by the registration of the Aluminium Company of South Africa (ALCOSA). During and after World War II, demand for semi-fabricated aluminium developed to the point where an aluminium rolling mill was opened in 1949 at the current Pietermaritzburg site.

The Company has grown and expanded its operations to cover a full range of rolled and extruded aluminium products.

Hulamin operates modern aluminium rolling equipment as a result of its two recent major expansion projects. The first was completed in 2000 at a cost of R2,4 billion and increased annual nameplate capacity to 200 000 tons. The second expansion project, at a cost of R950 million and completed in 2010, increased nameplate capacity further and the capability for the production of higher value products, thin gauge foil and heat-treated plate.

In 2007, Hulamin unbundled from Tongaat Hulett Limited and listed on the main board of the JSE in the Aluminium sub-sector of the Industrial Metals and Mining sector.

Hulamin transforms primary aluminium into semi-fabricated products (rolled products and extruded products) which can be used by downstream fabricators in a broad range of industries, thereby unlocking the intrinsic remarkable properties of aluminium for use in a variety of end-use applications.

Hulamin remelts primary aluminium received from the BHP Billiton Hillside smelter, together with process and bought-in scrap, in its remelt and casting facilities to cast around two thirds of its rolling slab and one-third of its extrusion billet requirements. The aluminium is alloyed with other materials, usually iron, silicon, zinc, copper, manganese and magnesium, to create metals with a wide range of different properties and strength characteristics.

One-third of Hulamin's rolling slab requirements is bought in from the BHP Billiton Bayside cast house.

Two-thirds of Hulamin Extrusion's extrusion billet requirements are imported following the decision by BHP Billiton in 2009 to cease supply of all value-added products apart from rolling slab. Aluminium slab and billet are the feedstock for the rolling and extruding processes respectively.

In the rolling operation, aluminium slab is passed through a number of pairs of rolls to reduce its thickness down to plate material with thicknesses of 6 mm to 250 mm and further down as low as 2 mm for subsequent cold rolling to sheet and coil with thicknesses as low as 0,2 mm. Further rolling can produce the thinnest of foil with a thickness as low as 0,006 mm. The rolling of cast aluminium changes its metallic structure and the metal takes on new characteristics and properties, with improved strength and ductility.

The extrusion process involves a preheated billet being squeezed through an opening in a die forming the cross-section of the extrusion or profile.

Apart from metal costs, the major operating costs related to the rolling and extruding processes comprise labour, energy, maintenance, coatings and consumables costs. Logistics costs related to the export of rolled products are also a significant cost.

Hulamin Rolled Products is primarily an export business (in excess of 70%), due to the current small size of the local aluminium downstream industry relative to the capacity of the Hulamin plant, which has the necessary scale to be globally competitive. Hulamin Extrusions is a supplier to the domestic market.

In addition to recovering the metal cost component in its products, Hulamin earns a conversion margin as compensation for the costs of rolling, extruding and finishing its various products.

There is no government protection or any investment encouragement law affecting the business of Hulamin, other than limited local tariff protection in respect of extruded products, and there have been no material changes to the business or the trading objectives of the Group during the past five years.

On 24 November 2014, Hulamin announced that it had entered into a strategic partnership with the Bingelela consortium to form Isizinda Aluminium, a Black empowered company that will acquire the Bayside casthouse from BHP Billiton, subject to Competition Commission approvals. Hulamin will hold a minority stake in Isizinda Aluminium and Isizinda will supply Hulamin with rolling slab for at least the next five years. This transaction will not only secure Hulamin's rolling slab supply from Bayside for the next five years and beyond but it will also see the creation of an aluminium hub in Richards Bay.

10.2 Prospects

Much of the groundwork for the transformation of Hulamin has been completed over the last couple of years and good progress has been made in reducing Hulamin's risk profile. Hulamin has secured its future rolling slab supply requirements from the Bayside casthouse through its interest in Isizinda Aluminium, a majority black-owned company, which has, subject to Competition Commission approval, acquired the casthouse and entered into a five-year metal agreement with BHP Billiton's Hillside smelter for the supply of liquid metal to the casthouse.

Global Aluminium markets are likely to remain challenging going forward as oversupply, particularly from China and the Middle East, drives increased competition and lower margins. The current outlook sees increases in global demand lagging capacity growth.

Ongoing actions are being taken to improve operational performance at Hualamin's Rolled Products business unit, however, imports remain a threat to local markets.

Hualamin's profits will continue to be impacted by the relative weakness or strength of the South African Rand against other currencies and, in particular, its rate of exchange with the US Dollar, as the Company exports a significant portion of its output.

Hualamin will intensify its focus on manufacturing performance, cost and efficiency and will continue to deliver against its established five strategic objectives, which are as follows:

- achieve benchmark operational performance;
- improve relative cost competitiveness;
- grow local and regional sales;
- secure competitive supply of aluminium inputs; and
- establish and maintain a supportive regulatory environment for Hualamin.

10.3 Share price history

The price history of the Hualamin Ordinary Shares on the JSE is summarised in Annexure 6.

10.4 Share capital

The table below shows, at the Last Practicable Date, the authorised and issued ordinary share capital of Hualamin, before and after the implementation of the BEE Transaction and the Proposed Conversion:

Before the BEE Transaction	Rm
Authorised ordinary share capital	
800 000 000 Hualamin Ordinary Shares of 10 cents each	80,0
45 000 000 A ordinary shares of 10 cents each	4,5
15 000 000 B1 ordinary shares of 10 cents each	1,5
10 000 000 B2 ordinary shares of 10 cents each	1,0
3 000 000 B3 ordinary shares of 10 cents each	0,3
Total authorised share capital	87,3
Issued ordinary share capital	
319 596 836 listed Hualamin Ordinary Shares of 10 cents each	32,0
Share premium	1 785,6
Share capital and premium	1 817,6
After the BEE Transaction	Rm
Authorised stated capital	
800 000 000 Hualamin Ordinary Shares	–
4 721 600 A1 Ordinary Shares	–
27 755 733 A2 Ordinary Shares	–
9 018 000 B1 Ordinary Shares	–
9 018 000 B2 Ordinary Shares	–
18 036 000 B3 Ordinary Shares	–
Issued stated capital	
319 596 836 listed Hualamin Ordinary Shares	1 817,6
4 721 600 unlisted A1 Ordinary Shares	42,0
27 755 733 unlisted A2 Ordinary Shares	54,7
9 018 000 unlisted B1 Ordinary Shares	0,1
9 018 000 unlisted B2 Ordinary Shares	0,1
18 036 000 unlisted B3 Ordinary Shares	0,2
Stated capital	1 914,7

There have been no changes to the issued ordinary share capital of Hualamin in the three years prior to the Last Practicable Date, apart from fresh issues of ordinary shares and Hualamin has no treasury shares.

10.5 Major shareholders

At 6 March 2015, Hulamin Ordinary Shareholders who, insofar as is known to Hulamin, were beneficially interested in 5% or more of the issued ordinary share capital of Hulamin excluding Treasury Shares are as follows:

Shareholder	Number of Hulamin Ordinary Shares	% of shareholding
Industrial Development Corporation	94 587 954	29,60
Coronation Fund Managers	31 981 496	10,01
Government Employees Pension Fund	17 909 456	5,60

As at 6 March 2015, insofar as is known to Hulamin, there were no other Hulamin Shareholders interested in 5% or more of any other class of shares in the issued ordinary share capital of Hulamin.

There have been no changes to controlling shareholders in the five years prior to the Last Practical Date.

10.6 Details relating to Directors

10.6.1 *Directors' details*

Name	Function	Business address
Mafika Edmund Mkwanazi	Independent non-executive chairman	PO Box 24 Cramerview 2060
Richard Gordon Jacob	Executive director: Chief Executive Officer	Moses Mabhida Road Pietermaritzburg 3201
David Alan Austin	Executive director: Chief Financial Officer	Moses Mabhida Road Pietermaritzburg 3201
Zamani Moses Mkhize	Executive director: Manufacturing	Moses Mabhida Road Pietermaritzburg 3201
Johannes Bhekumuzi Magwaza	Non-executive director	PO Box 297 Hyper by the Sea 4053
Sibusiso Peter-Paul Ngwenya	Non-executive director	1st Floor 31 West Street Houghton Estate 2198
Vusi Noel Khumalo	Non-executive director	Industrial Development Corporation 19 Fredman Drive Sandown Sandton, 2196
Geoffrey Harold Melrose Watson	Independent non-executive director	Rusal Marketing GmbH Metalli Center Baarerstrasse 22 CH-6300 Zug Switzerland
Lungile Constance Cele	Independent non-executive director	Garach & Garach Chartered Accountants 80 Armstrong Avenue La Lucia
Nomgando Angelina Matyumza	Independent non-executive director	PO Box 1999 Westville 3630
Peter Heinz Staude	Independent non-executive director	Tongaat Hulett Amanzimnyama Hill Tongaat 4000
Simon Michael Gwyn Jennings	Independent non-executive director	Milner Mount Bradda West Road Port Erin IM9 6PN Isle of Man
Thabo Patrick Leeuw	Independent non-executive director	Thesele Group 1st Floor, Colliers 36 Fricker Road Illovo, 2196

Full details and CVs of Hulamin Directors are detailed in Annexure 4 of this Circular.

10.6.2 *Directors' interests in Hulamini Ordinary Shares*

On the Last Practicable Date, the Directors (and their associates), including any directors who may have resigned during the last 18 months, held the following direct and indirect beneficial interests in the ordinary share capital of Hulamini:

Director	Direct beneficial	Indirect beneficial	Total	% holding
Executive				
RG Jacob	197 378	–	197 378	0,06
MZ Mkhize	75 668	–	75 668	0,02
Non-executive				
LC Cele	10 000	–	10 000	0,00
JB Magwaza	5 760	–	5 760	0,00
PH Staude	91 610	–	91 610	0,03
Total	380 416	–	380 416	0,12

The table above excludes options held through the Company's share incentive schemes that have not yet vested.

It is confirmed that there have been no director resignations during the last 18 months.

10.6.3 *Directors' remuneration*

There will be no variation in the remuneration receivable by any of the directors as a consequence of the implementation of the BEE Transaction.

10.6.4 *Directors' interests in transactions*

No Director has any beneficial interest, directly or indirectly, in any transactions effected by Hulamini during the current or immediately preceding financial year, other than the interests of JB Magwaza and SP Ngwenya in their capacities as shareholders of BEE SPV and MZ Mkhize in his capacity as an Eligible Employee in relation to the ESOP Trust.

JB Magwaza has an indirect interest of 9,8% in the BEE SPV and SP Ngwenya has an indirect interest of 6,8% in the BEE SPV. MZ Mkhize will participate in no more than 1% of the shares held by the ESOP Trust.

No Director has any interest in transactions effected by Hulamini during an earlier financial year which remain in any respect outstanding or unperformed.

11. OTHER INFORMATION

11.1 **Material changes**

There has been no material change in the financial or trading position of Hulamini and its subsidiaries since the issue of the results for the financial year ended 31 December 2014 and the date of this Circular.

11.2 **Material contracts**

On 24 November 2014, Hulamini announced that it had entered into a strategic partnership with the Bingelela consortium to form Isizinda Aluminium, a Black empowered company that will acquire the Bayside casthouse from BHP Billiton, subject to Competition Commission approvals. Hulamini will hold a minority stake in Isizinda Aluminium and Isizinda will supply Hulamini with rolling slab for at least the next five years. Shareholders are referred to SENS for further detail on this transaction.

11.3 **Directors' service contracts**

Executive directors have no service contracts and conditions of employment are governed by engagement letters. Executive directors retire between the ages of 55 and 63.

11.4 **Litigation**

The Directors of Hulamini are not aware of any legal or arbitration proceedings, pending or threatened, that may have or have had a material effect on the financial position of the Hulamini Group in the twelve months preceding the date of this Circular.

11.5 Directors' responsibility statement

The Directors, whose names appear in paragraph 10.6.1 on page 32 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading, and all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the Listings Requirements.

11.6 Consents

The Transfer Secretaries, legal advisers, independent reporting accountants, merchant bank and sponsor and Independent Expert have all provided their written consent to their names being published in this Circular and have not withdrawn their consent prior to the publication of this Circular. The Reporting Accountants and Independent Expert have provided their written consent to their names and reports being included in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

11.7 Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excluded) at the registered office of Hulamin and the Company Sponsor from Tuesday, 24 March 2015 to Thursday, 23 April 2015.

- the Current MOI and New MOI of Hulamin and its subsidiaries;
- a signed copy of this Circular;
- the ESOP Trust Deed registered with the Master of the KwaZulu-Natal High Court on 12 March 2015;
- the Employee Subscription Agreement dated 13 March 2015;
- the BEE SPV Subscription Agreement dated 15 December 2014;
- the Relationship Agreement dated 15 December 2014;
- the Employee Contribution Agreement dated 13 March 2015;
- the BEE SPV Contribution Agreement dated 15 December 2014;
- the BEE SPV Shareholders Agreement dated 15 December 2014;
- the Completion Agreement dated 15 December 2014;
- a copy of the Hulamin PLS dated 18 May 2007;
- the audited annual financial statements of Hulamin for each of the three financial years ended 31 December 2012, 2013 and 2014;
- the opinion of the Independent Expert;
- the report of the Reporting Accountants on the *pro forma* financial effects; and
- the consent letters from the advisers, sponsor, tax advisers, Transfer Secretaries and Reporting Accountants.

By order of the Board

DA Austin
Chief Financial Officer

Pietermaritzburg
20 March 2015

PRO FORMA FINANCIAL INFORMATION RELATING TO THE TRANSACTION

The *pro forma* financial information set out below has been prepared to assist Hulammin shareholders to assess the impact of the BEE Transaction on the financial position and results of Hulammin, based on the audited results of the Group for the year ended 31 December 2014 and the statement of financial position at that date. No adjustments have been made to the *pro forma* financial information other than in respect of the BEE Transaction contemplated in this Circular.

The accounting policies of Hulammin for the year ended 31 December 2014 have been used in preparing the *pro forma* financial effects.

The *pro forma* financial effects have been prepared for illustrative purposes only and are the responsibility of the Directors. Due to the nature of the *pro forma* financial effects, it may not give a fair reflection of Hulammin's financial position, changes in equity, results of operations or cash flows after completion of the BEE Transaction.

Pro forma Consolidated Balance Sheet

as at 31 December 2014

R'000	Actual As at 31 December 2014 Audited Note 3	New Strategic Partners' BEE Transaction Note 4	ESOP transaction Note 5	Transaction costs Note 6	Pro forma Unaudited
ASSETS					
Non-current assets					
Property, plant and equipment	2 697 148				2 697 148
Intangible assets	59 777				59 777
Retirement benefit asset	138 854				138 854
Deferred tax asset	25 450				25 450
	2 921 229	-	-	-	2 921 229
Current assets					
Inventories	1 958 934				1 958 934
Trade and other receivables	1 037 909				1 037 909
Derivative financial assets	44 175				44 175
Cash and cash equivalents	249 106			(9 848)	239 258
Income tax asset	2 808		5 416		8 224
Asset held for sale	55 217				55 217
	3 348 149	-	5 416	(9 848)	3 343 717
Total assets	6 269 378	-	5 416	(9 848)	6 264 946
EQUITY					
Share capital and share premium	1 817 580				1 817 580
BEE reserve	-	20 000			20 000
Employee share-based payment reserve	41 411		19 342		60 753
Hedging reserve	6 614				6 614
Retained earnings	1 968 212	(23 703)	(13 926)	(9 848)	1 920 735
Total equity	3 833 817	(3 703)	5 416	(9 848)	3 825 682
LIABILITIES					
Non-current liabilities					
Deferred tax liability	477 702	(1 440)			476 262
Retirement benefit obligations	236 369				236 369
	714 071	(1 440)	-	-	712 631
Current liabilities					
Trade and other payables	964 827	5 143			969 970
Current borrowings	686 144				686 144
Derivative financial liabilities	70 519				70 519
	1 721 490	5 143	-	-	1 726 633
Total liabilities	2 435 561	3 703	-	-	2 439 264
Total equity and liabilities	6 269 378	-	5 416	(9 848)	6 264 946
Ordinary shares in issue at 31 December 2014	319 596 836				319 596 836
NAV per share (cents)	1 200				1 197
Tangible NAV per share (cents)	1 181				1 178

Pro forma Consolidated Income Statement

for the year ended 31 December 2014

R'000	Actual Year ended 31 Dec 2014 Audited	New Strategic Partners' BEE Transaction	ESOP transaction	Transaction costs	Pro forma Unaudited
	Note 3	Note 4	Note 5	Note 6	
Revenue	8 038 918				8 038 918
Operating expenses	(7 568 446)	(25 143)	(19 342)	(9 848)	(7 622 779)
Other gains and losses	114 661				114 661
Operating profit	585 133	(25 143)	(19 342)	(9 848)	530 800
Interest income	2 453				2 453
Interest expense	(48 160)				(48 160)
Profit before tax	539 426	(25 143)	(19 342)	(9 848)	485 093
Taxation	(154 498)	1 440	5 416	-	(147 642)
Net profit for the year	384 928	(23 703)	(13 926)	(9 848)	337 451
<i>Adjusted for:</i>					
Loss on disposal of property, plant and equipment	6 498				6 498
Impairment reversal	(43 405)				(43 405)
Tax effects of adjustments	10 334				10 334
Headline earnings	358 355	(23 703)	(13 926)	(9 848)	310 878
Basic EPS (cents)	120				106
Diluted EPS (cents) (Note 8)	118				101
Basic HEPS (cents)	112				97
Diluted HEPS (cents) (Note 8)	110				93
Shares in issue:					
Weighted average number of shares	319 515 636				319 515 636
Diluted weighted average number of shares (Note 8)	326 375 987				334 553 129

Notes and assumptions:

- The *pro forma* Consolidated Balance Sheet was prepared on the assumption that the New Strategic Partners' BEE Transaction and the ESOP transaction were effective on 31 December 2014.
- The *pro forma* Consolidated Income Statement was prepared on the assumption that the New Strategic Partners' BEE Transaction and the ESOP transaction were effective on 1 January 2014.
- Extracted from Hulamín's consolidated audited financial results for the year ended 31 December 2014.
- The share-based payment benefit provided to the Strategic Black Partners is recognised as an equity settled share-based payment transaction in terms of IFRS 2 – Share-based Payments with no vesting period. The full expense of R20 million, is recognised on grant date through the income statement. The share-based payment charge was calculated based on a market spot price of R8,90 per share on the Last Practicable Date and a VWAP of R8,82 for the 30 days preceding that date. The actual share-based payment charge will be calculated with reference to the market information on the Completion Date, and the cap on both the B1 Ordinary Shares and B2 Ordinary Shares will be adjusted to ensure that the aggregate IFRS 2 costs of the B1 Ordinary Shares and B2 Ordinary Shares will total R20 million.

In addition, a BEE support fee of R850 000 is payable annually, increasing by CPI, for the duration of the eight-year term of the New Strategic Partners' BEE Transaction. A provision for this liability, determined as the present value of the BEE support fee payments over the eight-year term of the transaction, has been recognised on the effective date of the transaction in the amount of R5,1 million.
- The share-based payment benefit provided to the ESOP Trust is recognised as an equity settled share-based payment transaction in terms of IFRS 2 – Share-based Payments over its five-year vesting period. The total economic cost of R96,7 million is recognised equally over the vesting period through the income statement. The total economic cost was calculated based on a spot price of R8,90 per share on the Last Practicable Date and a VWAP of R8,82 for the 30 days preceding that date. A tax benefit of R5,4 million was recognised against the share-based payment expense of R19,3 million recognised for the year under review.

The actual share-based payment charge will be calculated with reference to the market information on the Completion Date, and the cap on the A2 Ordinary Shares will be adjusted to ensure that the aggregate IFRS 2 costs of the A1 Ordinary Shares and A2 Ordinary Shares will total 3,4% of Hulamín's market capitalisation.
- The estimated transaction costs of R9,8 million are non-recurring and are expensed as incurred. It is assumed that these costs are capital in nature and therefore that no tax deductions are available for these costs.
- The financial statements of the BEE SPV and the ESOP Trust are consolidated, in terms of IFRS 10, with Hulamín's consolidated financials from the effective date of the transaction. The shares issued to the Strategic Black Partners and the ESOP Trust are treated as treasury shares and are eliminated on consolidation. No other impact on the consolidated financials of the Hulamín Group is forecast.
- The financial effects take into account the anticipated dilutionary effect of the issue of the Subscription Shares on the weighted average number of shares in issue. The number of Subscription Shares issued for "no consideration" for diluted earnings and diluted headline earnings per share purposes, has been calculated by taking into account the difference between the number of Subscription Shares issued and the derived subscription value of the shares issued divided by the 12-month VWAP of a Hulamín Ordinary Share.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL EFFECTS

The Board of Directors
Hulamin Limited
Moses Mabhida Road
Pietermaritzburg
3200

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION OF HULAMIN LIMITED ("HULAMIN" OR "THE COMPANY")

Introduction

Hulamin Limited ("Hulamin" or "the Company") is issuing a circular to its shareholders ("the Circular") regarding the implementation of a new broad based BEE transaction involving the participation of Eligible Employees and Strategic Black Partners ("the BEE Transaction").

At your request and for the purposes of the Circular to be dated on or about 24 March 2015, we present our assurance report on the compilation of the *pro forma* financial information of Hulamin by the directors. The *pro forma* financial information, presented in paragraph 5 and Annexure 1 to the Circular, consists of the *pro forma* balance sheet as at 31 December 2014, the *pro forma* income statement for the year ended 31 December 2014 and the *pro forma* financial effects ("the *Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the BEE Transaction on the company's reported financial position as at 31 December 2014, and the company's financial performance for the period then ended, as if the BEE Transaction had taken place at 1 January 2014 and for the period then ended, respectively. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the Company's consolidated audited financial results for the year ended 31 December 2014.

Directors' responsibility

The directors of Hulamin are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 5 and Annexure 1. The directors of Hulamin are also responsible for the financial information from which it has been prepared.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

As the purpose of *Pro Forma* Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides

a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 5 and Annexure 1 of the Circular.

PricewaterhouseCoopers Inc.

Director: H Govind
Registered Auditor

Durban
20 March 2015

INDEPENDENT FAIRNESS OPINION REPORT ON THE BEE TRANSACTION

The Directors
 Hulamin Limited
 Moses Mabhida Road
 Pietermaritzburg
 3200

20 March 2015

Dear Sirs

INDEPENDENT EXPERT REPORT REGARDING THE PROPOSED BROAD-BASED BEE TRANSACTION INVOLVING THE PARTICIPATION OF ELIGIBLE EMPLOYEES AND STRATEGIC BLACK PARTNERS

Introduction

In an announcement published by Hulamin Limited (“Hulamin”) on 15 December 2014, shareholders were advised that Hulamin intends to restructure the existing broad-based Black Economic Empowerment (“BEE”) transaction and replace it with the creation of A ordinary shares and B ordinary shares to be issued to eligible employees and strategic black partners (“the BEE Transaction”).

It is proposed that the Employee Share Ownership Plan (“ESOP”) will be allocated two different tranches of A ordinary shares. The shares will bear the following characteristics:

- 4 721 600 A1 Ordinary Shares will be issued at nominal value (ie will be free shares). To the extent that ordinary dividends are declared on Hulamin Ordinary Shares, dividends will accrue to the A1 Ordinary Shares. The A1 Ordinary Shares will have a five-year vesting period
- 26 755 733 A2 Ordinary Shares will be issued at the 30-day volume weighted average price (“VWAP”) of the Hulamin Ordinary Shares as calculated on the day prior to the A2 Subscription Date. The A2 Ordinary Shares will be Notional Vendor Financing (“NVF”) funded and bear a funding rate of 0%. The A2 Ordinary Shares will have a five-year vesting period. To the extent that dividends are declared on Hulamin Ordinary Shares, dividends that accrue to the A2 Ordinary Shares will be utilised to service the NVF against those shares. In addition, the value of the A2 Ordinary Shares will be capped at R17,68 per share (ie no incremental value will accrue to holders of A2 Ordinary Shares should Hulamin’s share price exceed R17,68 at the A2 Vesting Date). This cap was determined so that the aggregate economic cost of the A1 Ordinary Shares and the A2 Ordinary Shares issued to the ESOP Trust as at the Completion Date equals 3,4% of the Company’s market capitalisation

The salient terms of the B ordinary shares will be as follows:

- 9 018 000 B1 Ordinary Shares will be issued to BEE SPV at a 50% discount to the 30-day VWAP of the Hulamin Ordinary Shares as calculated on the day prior to the B2 Subscription Date. The B1 Ordinary Shares will be NVF funded and bear a funding rate of 0%. The B1 Ordinary Shares will have a five year vesting period and a three year post-vesting lock-in. B1 Ordinary Shares will contain voting rights which rank *pari passu* with Hulamin Ordinary Shares. In addition, the value of the B1 Ordinary Shares will be capped at R9,43 per share (ie no incremental value will accrue to holders of B1 Ordinary Shares should Hulamin’s share price exceed R9,43 at the B1 Vesting Date)
- 9 018 000 B2 Ordinary Shares will be issued to BEE SPV at the 30-day VWAP of the Hulamin Ordinary Shares as calculated on the day prior to the B2 Subscription Date. The B2 Ordinary Shares will be NVF funded and bear a funding rate of 0%. The B2 Ordinary Shares will have a five-year vesting period and a three year post-vesting lock-in. B2 Ordinary Shares will contain voting rights which rank *pari passu* with Hulamin Ordinary Shares. In addition, the value of the B2 Ordinary Shares will be capped at R9,43 per share (ie no incremental value will accrue to holders of B2 Ordinary Shares should Hulamin’s share price exceed R9,43 at the B2 Vesting Date). This cap was determined so that the aggregate economic cost of the B1 and B2 Ordinary Shares issued to BEE SPV as at the Completion date does not exceed R20 000 000 (twenty million Rand)
- 18 036 000 B3 Ordinary Shares will be issued to BEE SPV at nominal value. B3 Ordinary Shares will contain voting rights which rank *pari passu* with Hulamin Ordinary Shares. B3 Ordinary Shares will contain no right to dividends

Full details of the BEE Transaction are contained in the circular to Hulamin shareholders (“the Circular”) to be dated on or about 24 March 2015, which will include a copy of this letter.

Scope

Pursuant to the requirements of the Companies Act and the Listings Requirements of the JSE Limited (“the JSE Listings Requirements”) an independent expert report is required to be obtained by the board of directors of Hulamin (“the Board”). As the BEE Transaction involves the issue of shares to related parties and the issue of shares at a discount, in terms of sections 4.24 and 5.5.1, read together with section 10, of the JSE Listings Requirements, an independent expert report comprising a fairness opinion is required. In addition, because the BEE Transaction involves the acquisition by Hulamin of more than 5% of the issued shares of a particular class of Hulamin shares, by virtue of section 48(8)(b) of the Companies Act, an independent expert report comprising a fair and reasonable opinion, as contemplated in section 114 of the Companies Act, must be compiled. Regulation 90, in terms of the Companies Act, provides further direction in terms of the role and requirements of the independent expert. The unlisted shares will confer voting rights.

In light of the above, KPMG Services (Proprietary) Limited (“KPMG”) has been appointed by the Board as the independent expert to advise on whether the terms and conditions of the BEE Transaction are fair and reasonable to the shareholders of Hulamin. The Board has been advised accordingly.

Our work and findings shall not in any way constitute recommendations regarding the completion of the BEE Transaction.

Responsibility

The compliance with the JSE Listings Requirements and the Companies Act is the responsibility of the Board. Our responsibility is to report on the terms and conditions of the BEE Transaction.

Definition of the terms “fair” and “reasonable”

A transaction will generally be considered fair to a Company’s shareholders if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders.

The assessment of fairness is primarily based on quantitative issues. In this case, the BEE Transaction may be considered fair if the value received per share by Hulamin is considered to be equal to or greater than the value surrendered by Hulamin in terms of the BEE Transaction or if the quantifiable benefits received by Hulamin from the BEE Transaction are equal to or greater than the costs of the BEE Transaction.

The assessment of reasonableness is generally based on qualitative considerations surrounding the BEE Transaction. Hence, even though the benefits received by Hulamin shareholders may be less than the value surrendered by Hulamin shareholders, the entire BEE Transaction may still be reasonable in certain circumstances after considering other significant qualitative factors.

Information utilised and procedures performed

Key quantitative considerations

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the BEE Transaction:

- considered the rationale for the BEE Transaction, based on discussions with the management of Hulamin, its advisors and consideration of internal documents such as the memorandum to the Board;
- obtained an understanding of the structure, terms and conditions of BEE Transaction;
- held discussions with the management of Hulamin to establish its strategy and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the industry; and
- considered the historical performance of Hulamin with reference to its audited financial statements for the financial years ended 31 December 2013, 31 December 2012, 31 December 2011 and the unaudited interim results for the half year ended 30 June 2014.

Pre-BEE Transaction valuation

- reviewed Hulamin’s financial forecasts for the years 2014 to 2019 and the basis of the assumptions therein as well as the reasonableness of the outlook assumed. In this regard, we assessed the forecast trends in line with the historical performance of Hulamin, as well as held discussions with management to confirm the reasonableness thereof. In addition, we assessed the assumptions made against our analysis of future macro-economic factors, as well as the overall industry outlook. From these assessments, we have satisfied ourselves with the appropriateness and reasonableness of the underlying information and assumptions;

- based on the above, performed a desktop valuation of the pre-BEE Transaction Hulamin shares based on:
 - the discounted cash flow methodology as the primary valuation methodology supplemented by the capitalisation of maintainable earnings approach;
 - taking cognisance of risk, market and industry factors affecting Hulamin. The key external value drivers, and the respective ranges thereof, are: the annual inflation rate (range: 4,8% to 5,9%), R/\$ exchange rate (range: R/\$10,70 to R/\$12,99), GDP growth rate per annum (range: 2,5% to 3,4%) and aluminium prices (range: \$1 812/ton to \$2 190/ton). Adjustments which we deem to be appropriate were made to the forecasts
 - the key internal value drivers considered in the valuation are: volumes, profit margins, and capital expenditure. Adjustments which we deem to be appropriate were made to the forecasts;
 - the above key external and internal value drivers were varied and subject to sensitivity considerations in determining an appropriate valuation range of this transaction;
 - as part of our sensitivity analysis to arrive at the valuation range below, the key valuation variables were identified as the discount rate and terminal growth rate. In performing our sensitivity analysis, we stress tested the discount rate by assuming a rate 0,25% higher and 0,25% lower than the base case. In addition, we stress tested the terminal growth rate by assuming a rate 0,25% higher and 0,25% lower than the base case. A higher discount rate and lower terminal growth rate resulted in the low end of the value range whilst a lower discount rate and higher terminal growth rate resulted in the high end of the value range for this transaction; and
 - consideration of market pricing of Hulamin Shares including liquidity, recent transactions, analyst reports and market movements.

As part of the sensitivity analysis, we determined a pre-BEE Transaction valuation range of R7,17 – R7,94, with a most likely value of R7,54 per listed ordinary share.

Post-BEE Transaction valuation

- determined the value of the post-BEE Transaction Hulamin shares by adjusting the value of the pre-BEE Transaction Hulamin shares with the costs and quantifiable benefits of the BEE Transaction as follows:

Costs of implementing the BEE Transaction:

- reviewed relevant agreements and held discussions with management as part of the procedures to determine the costs of implementing the BEE Transaction;
 - considered the costs of implementing the BEE Transaction, being the NVF Mechanism, BEE Support Fee and the transaction costs as set out in the Circular. In regards to the NVF Mechanism we reviewed:
 - the terms and conditions in respect of the NVF Mechanism granted to the ESOP and the strategic black partners in respect of the A2, B1 and B2 ordinary shares; and
 - the NVF Mechanism model with respect to the dividend policy and the terms and conditions of the NVF Mechanism;
- reviewed the International Financial Reporting Standards valuation of the costs of implementing the BEE Transaction performed by Deloitte on behalf of Hulamin. We assessed the reasonableness of this valuation by recalculating the value of the costs using a recognised option pricing model, the Geometric Brownian Motion method with Monte Carlo simulations; and

Quantifiable BEE Transaction benefits:

- held discussions with management to identify and understand the impact on Hulamin if the BEE Transaction is not concluded;
- considered the Manufacturing Competitiveness Enhancement Programme (“MCEP”) application submitted by Hulamin to the Department of Trade and Industry (“DTI”), for which Hulamin is required to maintain a BEE rating of level 4 or better, to qualify for the grant;
- noted that a decline in the BEE rating would compromise Hulamin’s ability to retain some of its existing local customers resulting in lost revenue should the BEE Transaction not take place. We valued this additional benefit to the operating divisions of Hulamin ie extrusions and rolled products, using the discounted cash flow methodology; and
- it is also envisaged that creating of the ESOP will result in cost savings, as a result of lower staff turnover, due to greater employee engagement and motivation. Based on discussions with management and available industry information, we estimated the net present value arising from the resulting expected savings in recruitment costs, for the period 2015 to 2020, being the period of the ESOP;

In undertaking the procedures above, we determined a post-BEE Transaction valuation range of R7,23 – R8,00, with a most likely value of R7,59.

Fairness assessment conclusion

Based on the procedures above, we assessed the fairness of the BEE Transaction comparing the pre-BEE Transaction value per Hulamin ordinary share to the post-BEE Transaction value per ordinary share.

Key qualitative considerations

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the BEE Transaction:

- the rationale for the BEE Transaction as set out in public announcements made by Hulamin;
- the increasing need and importance of government support for the local aluminium industry, for which a favourable BEE rating is a pre-requisite; and
- the ESOP is envisaged to improve Hulamin's ability to attract, incentivise and retain Black employees.

Opinion

KPMG has considered the terms and conditions of the BEE Transaction and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the BEE Transaction are fair and reasonable to the Hulamin shareholders.

Our opinion is necessarily based upon the information available to us up to 13 March 2015, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the BEE Transaction have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

This opinion is provided to the Board in connection with and for the purposes of the BEE Transaction. This opinion is prepared solely for the Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Hulamin shareholders. Should a Hulamin shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Hulamin shareholder's decision as to whether to vote in favour of any transaction may be influenced by his particular circumstances. The assessment as to whether or not the Board decides to recommend the BEE Transaction is a decision that can only be taken by the Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Hulamin, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of Hulamin relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Hulamin will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of Hulamin to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the BEE Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Hulamin and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the BEE Transaction will be legally enforceable.

Independence

In terms of schedule 5.1(a) of the JSE Listings Requirements, we confirm that we have no direct or indirect interest in Hulamin shares or the BEE Transaction. In terms of schedule 5.1(b), we may confirm that we have no existing or continuing relationship with the issuer and/or any other parties involved in the transaction.

Furthermore, we confirm that our professional fees, of R475 000, are not contingent upon the success of the BEE Transaction.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued to the shareholders of Hulamin in the form and context in which it appears.

Yours faithfully

Neeraj Shah

Director – Corporate Finance

KPMG Services (Proprietary) Limited
KPMG Crescent
85 Empire Road
Parktown
2193

INFORMATION ON THE DIRECTORS OF HULAMIN AND ITS MAJOR SUBSIDIARIES

NON-EXECUTIVE DIRECTORS

MAFIKA EDMUND MKWANAZI (60) BSc (Mathematics); BSc (Engineering); Management Development Programme, Strategies of Successful Business Management

Independent non-executive Chairman

Member of the Remuneration and Nomination Committee, and the Risk and SHE Committee

Businessman; Director of companies

Mafika has held various business positions including chief executive officer of Metro Rail Services from 1995 to 1996, executive director of Spoornet from 1996 to 1998, managing director of Transnet from 2000 to 2003, chairman of Western Areas, Letseng Diamonds and Orlyfunt Holdings from 2003 to 2006. He was also appointed as Chairman of Transnet Limited in December 2010. Other directorships he holds include Mediterranean Shipping Company (Pty) Ltd, Stefanutti & Stocks and the South African Bureau of Standards. He was appointed to the Hulamin Board in 2007.

LUNGILE (ZEE) CONSTANCE CELE (61) BCom; Post Grad. Dip Tax; MAcc (Taxation); Executive Leadership Development Programme

Independent non-executive director

Chairman of the Transformation, Social and Ethics Committee and a Member of the Audit Committee

Zee practices as a professional accountant and tax consultant. She serves on the boards of Combined Motor Holdings, Efficient Group Limited, AVBOB, Harith General Partners and Trade and Investment KZN. Zee is a commercial member of the Tax Court and was a member of the Standing Advisory Committee on Company Law until March 2011. She was appointed to the Hulamin Board in 2007.

SIMON MICHAEL GWYN JENNINGS (58) BA Business Studies (Hons); Human Resources Training Programme

Independent non-executive director

Member of the Risk and SHE Committee

Simon held various executive positions in the packaging group Rexam PLC in India, Brazil, China, Korea and Europe. He is the founder, director and owner of Nomis Consultancy Limited, an international consultancy to the beverage can and packaging industries based in the Isle of Man. He is an independent non-executive director of beverage can maker GZI Industries Limited in Nigeria. He is also the Chairman of Pakistan Aluminium Beverage Can Limited in Pakistan. He was appointed to the Hulamin Board in July 2013.

VUSI NOEL KHUMALO (52) BCom; BCompt (Hons); CA(SA); Global Executive Development Programme

Non-executive director

Member of the Transformation, Social and Ethics Committee

Senior manager: Industrial Development Corporation of SA Limited

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 Main Street 333 (Pty) Limited, Coidlink (Pty) Limited, Naledi Foundry of the RSA (Pty) Ltd and Ernani Investments (Pty) Limited. He was appointed to the Hulett Aluminium board in 2006 and to the Board of Hulamin in 2007.

THABO PATRICK LEEUW (51) (BCom (Accounting); BCompt (Hons); Management Advancement Programme

Independent non-executive director

Chairman of the Audit Committee, and Member of the Risk & SHE Committee

Executive director: Thesele Group

Thabo is the executive director and founder shareholder of Thesele. He served articles at Deloitte & Touche, and has held financial management positions in Afric Oil (a subsidiary of Pembani Group), Oceana Fishing, National Sorghum Breweries and Old Mutual Employee Benefits. He joined Cazenove SA in 1998 as a research analyst, in 2002 he became a director of Cazenove SA and in 2004 became a director of Cazenove Group Plc. He is also the chairman of ICAS Southern Africa (Pty) Limited and a non-executive director of Prudential Portfolio Managers SA and a member of the Eskom Pension and Provident Fund's Strategic Investment Committee. He was also appointed a director of Vodacom Life Assurance Company and Vodacom Insurance Company with effect from December 2012 and Rhodes Group with effect from August 2014. He was appointed to the Hulamin Board in 2007.

JOHANNES BHEKUMUZI MAGWAZA (72) BA (Psychology and Social Anthropology); MA (IR); Dip (IR); Dip (PM)

Non-executive director

Member of the Transformation, Social and Ethics Committee and the Remuneration and Nomination Committee

Director of companies

JB joined Hulett Sugar in 1975, becoming personnel director for Hulett Refineries in 1988. He was appointed personnel director for Hulamin in 1992 until he became an executive director of Tongaat Hulett in 1994. He retired in 2003 but remained on the board in a non-executive capacity and was appointed Chairman in 2009. His directorships include Rainbow Chickens, Richards Bay Minerals and Imbewu Capital Partners. He was appointed to the Hulamin board in 2007.

NOMGANDO ANGELINA MATYUMZA (51) BCom; BCompt (Hons); CA(SA); LLB; Ordained Minister of Religion

Independent non-executive director

Chairman of the Remuneration and Nomination Committee

Member of the Audit Committee and the Transformation, Social and Ethics Committee

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 Ithala Limited, KZN Growth Fund Managers (Pty) Limited, Wilson Bayley Holmes- Ovcon Limited, Cadiz Holdings Limited and SASOL Limited. She was appointed to the Hulamin Board with effect from 1 March 2010.

SIBUSISO PETER-PAUL NGWENYA (61) BCom (Hons)

Non-executive director

Member of the Transformation, Social and Ethics Committee

Executive chairman: Makana Investment Corporation

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. Peter-Paul is the treasurer of the Ex-Political Prisoners Committee. 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.

PETER HEINZ STAUDE (61) BSc (Ind Eng) (Hons) (*cum laude*); MBA

Independent non-executive director

Chairman of the Risk and SHE Committee

Chief Executive Officer: Tongaat Hulett Limited

Peter lectured at the University of Pretoria before joining Hulett Aluminium in 1978. In 1990 he became Managing Director of Hulamin 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.

GEOFFREY HAROLD MELROSE WATSON (63) BSc (Agriculture) University of Sydney; BEcon University of New England; Graduate Australian Institute of Company Directors

Independent non-executive director

Member of the Remuneration and Nomination Committee

Director Asian sales and China business development of United Company RUSAL

In 2011, Geoff was appointed Director Asian Sales and China business development of United Company RUSAL, the world's largest producer of aluminium. Geoff has held numerous senior executive positions in the aluminium and steel industries. He was an executive associate of Seema International in 2010 and CEO of Steelforce Australia in 2009 and held numerous positions at Alcoa Rolled Products from 1976 to 2008 which included Vice President China, General Manager Alcoa Bohai, China, Director of Operations, Alcoa Kaal, Australia and General Manager Asian Business Development. He was appointed to the Hulamin Board with effect from 1 August 2011.

EXECUTIVE DIRECTORS

RICHARD GORDON JACOB (49) BSc (Engineering); MBA

Chief Executive Officer

Member of the Risk and SHE Committee, and the Transformation, Social and Ethics Committee

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 Hulam 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 Hulam in 2007 and as Chief Executive Officer in July 2010.

DAVID ALAN AUSTIN (57) BCom; Dip Acc; CA(SA)

Chief Financial Officer

Member of the Risk and SHE Committee

A graduate of the University of Natal, David served articles with Ernst & Young. He then spent two years at their London office before joining the Barlow Rand Group on his return to South Africa. David held various senior financial positions within the Barlows Group including Group Financial Manager and Group Secretary of the CG Smith Group Limited, a major listed subsidiary Group of Barlows. David joined Macsteel International in 2007 and was a director of Macsteel International South Africa. He was then appointed Chief Financial Officer of the Macsteel International Trading group in February 2010. David was appointed Chief Financial Officer of Hulam Limited with effect from 1 March 2013 and acting Chief Executive Officer with effect from 18 July 2014, whilst Richard Jacob took medical leave of absence.

MOSES ZAMANI MKHIZE (53) BCom (Hons); Higher Diploma (Electrical Engineering)

Executive director: Manufacturing

Member of the Risk and SHE Committee

Moses joined Hulam in July 1982, was appointed Hot Mill production manager in 1989 and Foil Mill manager in 1994. In 1997 he became a director of Hulam Rolled Products and in 2000 he was appointed a director of Hulett Aluminium. He was appointed to the Board of Hulam in 2007. He is also a director of SASOL Limited and a number of subsidiaries of Hulam.

**BRIEF RESUME FOR EACH OF THE HULAMIN EXECUTIVE
COMMITTEE MEMBERS**

RICHARD GORDON JACOB BSc (Engineering); MBA

Chief Executive Officer

Member of the Risk and SHE Committee, and the Transformation, Social and Ethics Committee

Richard joined Hulamin in January 1990. Richard held various positions in manufacturing and sales and marketing. In 2002, Richard was appointed to the Executive Committee. After the listing of Hulamin in 2007, Richard also assumed the responsibility for Investor Relations. Richard was appointed as Chief Executive Officer in July 2010.

DAVID ALAN AUSTIN BCom; Dip Acc; CA(SA)

Chief Financial Officer

Member of the Risk and SHE Committee

David joined Hulamin in March 2013 and was appointed Chief Financial Officer. David was appointed acting Chief Executive Officer effective 18 July 2014 during the CEO's medical leave of absence. David previously held various senior financial positions within the Barlows Group and Macsteel International.

MOSES ZAMANI MKHIZE BCom (Hons); Higher Diploma (Electrical Engineering)

Executive Director: Manufacturing

Moses joined Hulamin in July 1982 and has held various positions in manufacturing including several directorships in Hulamin subsidiaries. Moses was appointed to the Executive Committee in 1997, a director of Hulett Aluminum in 2000 and a director of Hulamin in 2007.

MARLENE ANTOINETTE JANNEKER BA (Hons) Industrial Psychology; MBA

Group Executive: Human Capital

Marlene joined Hulamin in June 1995 and has held various positions in the Human Resources portfolio for which she has now assumed leadership since April 2013.

HECTOR THABO MOLALE BS (Metallurgical Engineering); Advanced Business Programme

Managing Director Hulamin Extrusions and Group Corporate Affairs Executive

Hector joined Hulamin in October 1993, and after holding numerous positions in manufacturing was appointed to the Executive committee in 2010 as Corporate Affairs Executive. In addition, Hector assumed the role of Managing Director Hulamin Extrusions with effect 1 January 2014. He also represents Hulamin's interests in Almin Industries in Zimbabwe. Hector's responsibilities in corporate affairs include communications, government, shareholder, investor, stakeholder, regulatory and statutory bodies relations.

FRANCIS (FRANK) BROMLEY BRADFORD BSc (Engineering); Graduate Diploma in Engineering (GDE); MBA

Group Executive: Metal Supply

Frank joined Hulamin in July 1993. Since his appointment he has held numerous positions in both manufacturing and marketing. With effect from 1 January 2014 Frank assumed leadership for the total metal supply chain portfolio which includes the Remelt operations, including the current investment in a new recycling facility and procurement of aluminium scrap. He will assume Hulamin responsibility for the newly acquired Isizinda casthouse facility in Richards Bay, once the Competition Commission have approved the transaction.

DARRYL RAYMOND WEISZ BA (Industrial Psychology); PDM (HR)

Group Executive: Sales/Marketing/Market Development

Darryl joined Hulamin in September 2012 and assumed the role of Managing Director for Hulamin Extrusions, as well as overseeing Hulamin's interests in Almin Metal Industries in Zimbabwe (a joint venture between Hulamin and the Zimbabwe IDC). With effect from 1 January 2014 Darryl took up the role of Group Executive: Sales, Marketing and Market Development.

PRICE HISTORY OF ORDINARY SHARES ON THE JSE

The table below indicates the aggregate volumes and values traded and the highest and lowest prices traded in Hulammin Ordinary Shares for each quarter over the two years prior to the 12-month period, over the 12 months prior to the date of issue of this Circular; and for each day over the 30 days preceding the Last Practicable Date.

Date	Low (cents)	High (cents)	Closing price (cents)	Volume	Value traded (R million)
Quarterly					
31/12/14	610	810	810	34 051 826	238,98
30/09/14	710	857	774	23 021 292	183,58
30/06/14	663	890	775	12 942 376	96,15
31/03/14	495	721	670	22 562 202	143,18
31/12/13	451	648	515	13 902 197	73,72
30/09/13	400	575	560	19 257 568	87,61
30/06/13	383	530	420	11 800 115	53,43
31/03/13	300	564	529	26 903 136	118,40
31/12/12	310	425	321	8 224 896	29,82
30/09/12	313	590	375	19 540 665	82,62
30/06/12	550	800	599	11 986 838	80,00
Monthly					
28/02/15	857	930	890	10 814 458	97,78
31/01/15	766	895	885	8 118 088	66,67
31/12/14	635	810	810	13 301 632	96,97
30/11/14	610	740	673	11 709 830	79,41
31/10/14	651	796	680	9 040 364	62,60
30/09/14	720	775	774	2 582 690	19,38
31/08/14	710	820	760	5 185 378	40,86
31/07/14	750	857	800	15 253 224	123,33
30/06/14	717	820	775	3 903 584	29,98
31/05/14	727	890	784	4 520 598	34,79
30/04/14	663	750	730	4 518 194	31,39
31/03/14	639	721	670	5 881 680	39,97
Daily					
04/03/15	883	890	890	156 229	1,39
03/03/15	885	920	889	267 220	2,38
02/03/15	875	890	888	1 839 792	16,37
27/02/15	875	890	890	427 706	3,80
26/02/15	878	892	890	810 013	7,17
25/02/15	887	910	892	807 579	7,31
24/02/15	883	913	900	299 048	2,70
23/02/15	881	925	908	531 109	4,83
20/02/15	900	915	910	402 591	3,65
19/02/15	903	910	909	235 783	2,14
18/02/15	901	911	903	978 166	8,88
17/02/15	886	900	899	46 086	0,41
Daily					

Date	Low (cents)	High (cents)	Closing price (cents)	Volume	Value traded (R million)
16/02/15	885	915	888	286 278	2,58
13/02/15	907	915	914	2 766 188	25,18
12/02/15	907	915	908	258 465	2,35
11/02/15	885	907	890	444 382	3,95
10/02/15	880	900	885	273 055	2,43
09/02/15	876	910	905	248 846	2,22
06/02/15	857	913	857	602 821	5,39
05/02/15	911	920	913	267 166	2,44
04/02/15	910	918	915	123 884	1,13
03/02/15	900	930	906	719 032	6,60
02/02/15	885	930	916	286 260	2,61
30/01/15	825	895	885	469 909	4,03
29/01/15	802	850	842	1 577 733	12,94
28/01/15	808	825	815	30 132	0,25
27/01/15	800	835	826	127 575	1,05
26/01/15	817	840	835	341 134	2,84
23/01/15	812	831	813	230 630	1,91
22/01/15	811	830	818	1 375 671	11,20
21/01/15	825	838	833	441 302	3,68

Source: I-Net Bridge

REPORT PREPARED BY THE BOARD OF DIRECTORS OF HULAMIN LIMITED, REGISTRATION NUMBER 1940/013924/06 (THE “COMPANY”) IN TERMS OF REGULATION 31(7) OF THE COMPANIES REGULATIONS 2011, IN RELATION TO THE CONVERSION OF ALL OF THE ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY TO SHARES HAVING NO PAR VALUE

1. INTRODUCTION

- 1.1 The definitions and interpretation on page 8 of the Circular to which this Annexure 7 is attached apply *mutatis mutandis* to this Annexure 7.
- 1.2 The entire authorised and issued ordinary share capital of the Company currently comprises of par value shares, which have been created and partly issued in terms of the Companies Act 61 of 1973. The Company has only four classes of shares, being its ordinary shares, A ordinary shares and B1, B2 and B3 ordinary shares. The current authorised and issued share capital of the Company are as follows:

Authorised ordinary share capital	
800 000 000 Hulamin Ordinary Shares of 10 cents each	80,0
45 000 000 A ordinary shares of 10 cents each	4,5
15 000 000 B1 ordinary shares of 10 cents each	1,5
10 000 000 B2 ordinary shares of 10 cents each	1,0
3 000 000 B3 ordinary shares of 10 cents each	0,3
Total authorised share capital	87,3
Issued ordinary share capital	
319 596 836 listed Hulamin Ordinary Shares of 10 cents each	32,0

- 1.3 At the General Meeting the existing unissued A Ordinary Shares and B1, B2 and B3 Ordinary Shares referred to in paragraph 1.2 will be cancelled. After the conversion of the Hulamin Ordinary Shares to no par value shares, the new A Ordinary Shares and B Ordinary Shares will be created as no par value shares.
- 1.4 The Company intends to implement the BEE Transaction in terms of which the Company will issue the A Ordinary Shares and the B Ordinary Shares for cash to Strategic Black Partners, a trust established for the benefit of eligible permanent employees of the Company. In order to ensure that the Company has sufficient authorised but unissued share capital to implement the BEE Transaction, the Company will be required to increase its authorised share capital by way of creating new shares.
- 1.5 The Companies Act 71 of 2008 came into effect on 1 May 2011 and replaced the Companies Act 61 of 1973. In terms of Regulation 31(2) of the Regulations read with section 35(2) of the Companies Act, a company is not permitted to create any new par value shares, or shares having a nominal value, on or after 1 May 2011.
- 1.6 Since Regulation 31(2) of the Regulations does not allow for the creation of further authorised par value shares, the board of directors of the Company has resolved to propose to the shareholders of the Company to convert the Company’s authorised and issued par value shares into no par value shares at the same time as creating new no par value shares (**the Proposed Conversion**).
- 1.7 In terms of:
- 1.7.1 Regulation 31(5) read with Regulation 31(6) of the Regulations, a company may amend its Memorandum of Incorporation to effect a conversion of a class of par value shares to no par value shares, without charge, at any time after the effective date of the Companies Act, by way of (i) a special resolution adopted by the holders of the shares being converted; and (ii) a further special resolution adopted by a meeting of the company’s shareholders called for that purpose; and
- 1.7.2 article 5.1(c) of the MOI, the company may from time to time, by way of a special resolution of its shareholders convert one class of its shares into one or more other classes.

- 1.8 Accordingly, pursuant to the requirements set out in Regulations 31(6) and 31(7) of the Regulations and the MOI, the board of directors of the Company proposes a conversion of the entire authorised and issued ordinary share capital of the Company such that:
- 1.8.1 the authorised share capital of the Company will be converted from 800 000 000 (eight hundred million) ordinary par value shares of R0,10 (ten cents) each, into 800 000 000 (eight hundred million) ordinary shares of no par value; and
 - 1.8.2 the issued share capital of the Company will be converted from 319 596 836 (three hundred and ninety million five hundred and ninety six thousand eight hundred and thirty six) ordinary par value shares of R0,10 (ten cents) each into 319 596 836 (three hundred and ninety million five hundred and ninety six thousand eight hundred and thirty six) ordinary shares of no par value.
- 1.9 Regulation 31(7) of the Regulations requires the board of a company wishing to convert its par value shares to shares of no par value to cause a report to be prepared in respect of the proposed special resolution required in order to convert its par value shares to no par value shares (**Report**).
- 1.10 For the purposes of Regulation 31(8) of the Regulations, the Company must publish the proposed board resolution and the proposed special resolution to shareholders before the general meeting at which the special resolution to give effect to the conversion will be considered, together with the report referred to in paragraph 1.9 above.
- 1.11 This Report sets out the various requirements of Regulation 31 of the Regulations, required for the approval, by special resolution of the shareholders of the Company, to effect the conversion of the authorised and issued ordinary par value shares of the Company to ordinary shares having no par value.

2. THE REPORT

- 2.1 In terms of Regulation 31(7) of the Regulations, the Report is required to, at a minimum:
- 2.1.1 state all information that may affect the value of the securities affected by the Proposed Conversion;
 - 2.1.2 identify the class of holders of the Company's securities affected by the Proposed Conversion;
 - 2.1.3 describe the material effects that the Proposed Conversion will have on the rights of the holders of the Company's securities affected by the Proposed Conversion; and
 - 2.1.4 evaluate any material adverse effects of the Proposed Conversion against the compensation that any of the above persons will receive as part of the Proposed Conversion.
- 2.2 The Company hereby publishes this Report in respect of the proposed resolution to convert the par value shares of the Company, which will be proposed at the General Meeting.

3. SPECIAL RESOLUTION

In order to comply with the provisions of Regulation 31(6) of the Regulations, the Board intends proposing the following special resolution, to implement the Proposed Conversion, for consideration and, if deemed fit, approval by the holders of the Shares as set out in the notice of general meeting attached to the Circular:

“RESOLVED AS A SPECIAL RESOLUTION subject to the conditions set out in the notice of the meeting at which this special resolution will be considered, that in terms of Regulation 31 of the Regulations, all the ordinary shares of the Company, comprising 800 000 000 authorised and 319 596 836 issued ordinary shares having a par value of R0,10 each, be and are hereby, without altering the substance of the specific rights and privileges associated therewith, converted into ordinary shares having no par value on the basis that each ordinary no par value share shall have the same value, rights and privileges, as the value, rights and privileges which attached to such shares immediately prior to the passing of this Special Resolution number 2 and that the whole of the amounts standing to the credit of the share capital account and the share premium account of the Company be transferred to the stated capital account of the Company.”

4. FURTHER INFORMATION AND EFFECT

This paragraph 4 sets out the disclosure required to be made as contemplated in Regulation 31(7) of the Regulations to the holders of the Hulamin Ordinary Shares.

4.1 Information that may affect the value of the securities affected by the Proposed Conversion

- 4.1.1 The securities affected by the Proposed Conversion are the authorised ordinary par value shares in the share capital of the Company comprising 800 000 000 (eight hundred million) ordinary par value shares of R0,10 (ten cents) each, of which 319 596 836 (three hundred and ninety million five hundred and ninety six thousand eight hundred and thirty six) ordinary shares have been issued.
- 4.1.2 As at the time of the Proposed Conversion the Company will have no other class of authorised or issued shares.
- 4.1.3 The Company's securities are listed on the main board of the JSE trading under the share code "HLM ISIN: ZAE 000096210".
- 4.1.4 Information in relation to the historic net asset value, earnings, headline earnings and distribution for each Share is detailed in the financial statements of the Company for the financial years ended December 2012, December 2013 and December 2014, which are available for inspection at the offices of the Company at Moses Mabhida Road, Pietermaritzburg. The price at which the Company's Shares have traded on the JSE over the past year is detailed in Annexure 6 of the Circular.
- 4.1.5 The underlying rights of the holders of the Hulamin Ordinary Shares will not be affected by the Proposed Conversion.
- 4.1.6 Each Share will have the same value, rights and privileges as attached to those Shares immediately prior to the Proposed Conversion.
- 4.1.7 Given that the number of Hulamin Ordinary Shares in issue and the rights attaching to the Hulamin Ordinary Shares in issue will be unaffected by the Proposed Conversion, the Proposed Conversion will have no impact on the historic net asset value, earnings, headline earnings and distributions for each Hulamin Ordinary Share and should have no impact on the price at which the Shares trade on the JSE.

4.2 Classes of holders of the Company's Securities affected by the Proposed Conversion

At the time of the Proposed Conversion the Company only has one class of authorised and issued shares. The Proposed Conversion will equally impact upon all registered holders of Hulamin Ordinary Shares. The only effect on the Company's shareholders will be that such shareholders will now become the holders of an identical number of shares of no par value.

4.3 Material effects that the Proposed Conversion will have on the rights of the holder of the Company's securities affected by the Proposed Conversion

- 4.3.1 After the Proposed Conversion, each shareholder will own the identical number of Shares as it held before the Proposed Conversion and the no par value shares it holds will represent the same proportion of the total issued share capital of the Company as the par value shares it held in the total issued share capital of the Company before the Proposed Conversion.
- 4.3.2 Not one of the rights of the registered holder of the Shares will be affected by the Proposed Conversion on the basis that the substance of their specific rights and privileges will not be altered.
- 4.3.3 In particular, but without limitation, not one of the following rights attaching to the Shares will be affected or altered by the Proposed Conversion:
 - 4.3.3.1 the voting rights, namely the right to attend, speak, participate in and vote at a meeting of the shareholders of the Company;
 - 4.3.3.2 the right to be entered into the Company's securities register;
 - 4.3.3.3 the economic rights, including the right to receive dividends, if and when declared and/or made by the Company;
 - 4.3.3.4 the rights on any liquidation or winding up; and
 - 4.3.3.5 any other distribution rights.

4.4 Material adverse effects of the Proposed Conversion against the compensation that any of the above persons will receive in terms of the arrangement

4.4.1 The Proposed Conversion has and will have no adverse effects on the Company's shareholders as they will remain in the same position and enjoy the same rights before and immediately after the Proposed Conversion.

4.4.2 In light of the foregoing, the Company has determined that no compensation is deemed necessary or is contemplated, as a result of the Proposed Conversion.

5. TAXATION

5.1 The Conversion will have no effect on the taxation of the Company.

5.2 The Conversion will have no tax implications for holders of the Hulamin Ordinary Shares.

6. GENERAL

In terms of Regulation 31(8)(b) of the Regulations, a copy of this Report will be filed with the Companies and Intellectual Property Commission and with the South Africa Revenue Service at the same time as it is published to the shareholders of the Company.

By order of the Board of directors

W Fitchat

Company Secretary
Hulamin Limited

20 March 2015

Registered office

Moses Mabhida Road
Pietermaritzburg
3201

AMENDMENTS TO THE MOI

The following Schedule B shall be inserted into the MOI to replace the existing Schedule B to the MOI.

RIGHTS, LIMITATIONS AND OTHER TERMS OF A1, A2, B1, B2 AND B3 ORDINARY SHARES

1. TERMS OF THE A1 ORDINARY SHARES

1.1 For the purposes of this Article 1:

- 1.1.1 "A1 Ordinary Shares" means the A1 ordinary shares of no par value in the Company, the terms of which shares are set out in this Article 1;
- 1.1.2 "Completion Date" means the date on which the A1 Ordinary Shares are issued to the ESOP Trust;
- 1.1.3 "ESOP Trust" means the trustees for the time being of the 2015 Hulamin Employee Share Ownership Trust established for purposes of the Hulamin Employee Share Ownership Scheme;
- 1.1.4 "ordinary shares" means the issued ordinary shares of no par value in the Company; and
- 1.1.5 "Vesting Date" means the 5th (fifth) anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Article 6.

1.2 The rights or other terms attaching to the A1 Ordinary Shares shall only be varied or cancelled by means of a special resolution passed by the Company with the consent in writing of the holder of the A1 Ordinary Shares.

1.3 1.3 Each of the A1 Ordinary Shares shall entitle the holder:

- 1.3.1 to receive notice of and vote on any matter to be decided by shareholders in accordance with the Act and this Memorandum of Incorporation and the A1 Ordinary Shares shall rank *pari passu* with the ordinary shares in this respect;
- 1.3.2 to receive any distribution in accordance with the holder's voting power; and
- 1.3.3 on a liquidation of the Company, to receive an amount of R0,01 (one cent).

1.4 1.4 The holder of the A1 Ordinary Shares shall not be entitled, before the Vesting Date, to dispose of or encumber any of the A1 Ordinary Shares.

1.5 1.5 To give effect to the provisions of Article 1, the A1 Ordinary Shares shall be certificated and the share certificates of the A1 Ordinary Shares shall be held in safe custody by the secretary of the Company. The certificates of the A1 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

1.6 On the Vesting Date:

- 1.6.1 the A1 Ordinary Shares shall automatically be released from safe custody and the share certificates in respect of the A1 Ordinary Shares shall be delivered to the holder of the A1 Ordinary Shares to enable the A1 Ordinary Shares to become uncertificated;
- 1.6.2 the A1 Ordinary Shares shall rank *pari passu* in all respects with the ordinary shares;
- 1.6.3 the A1 Ordinary Shares shall be renamed "ordinary shares" and shall be listed on the JSE; and
- 1.6.4 Articles 1.1 to 1.5 shall cease to be of any further force and effect.

2. TERMS OF THE A2 ORDINARY SHARES

2.1 For the purposes of this Article 2:

- 2.1.1 "A2 Ordinary Shares" means the A2 ordinary shares of no par value in the Company, the terms of which shares are set out in this Article 2;
- 2.1.2 "A2 Remaining Shares" means the A2 Ordinary Shares, at Vesting Date, which are not A2 Repurchase Shares;
- 2.1.3 "A2 Repurchase Shares" means the number of the A2 Ordinary Shares which are to be acquired by the Company in accordance with the formula set out in Article 2.7;
- 2.1.4 "Completion Date" means the date on which the A2 Ordinary Shares are issued to the ESOP Trust;
- 2.1.5 "ESOP Trust" means the trustees for the time being of the 2015 Hulammin Employee Share Ownership Trust established for purposes of the Hulammin Employee Share Ownership Scheme;
- 2.1.6 "ordinary shares" means the issued ordinary shares of no par value in the Company;
- 2.1.7 "Vesting Date" means the 5th (fifth) anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Article 6; and
- 2.1.8 "VWAP" means the volume weighted average trading price of an ordinary share in the Company on the JSE.

2.2 The rights or other terms attaching to the A2 Ordinary Shares shall only be varied or cancelled by means of a special resolution passed by the Company with the consent in writing of the holder of the A2 Ordinary Shares.

2.3 Each of the A2 Ordinary Shares shall entitle the holder:

- 2.3.1 to receive notice of and vote on any matter to be decided by shareholders in accordance with the Act and this Memorandum of Incorporation and the A2 Ordinary Shares shall rank *pari passu* with the ordinary shares in this respect; and
- 2.3.2 on a liquidation of the Company, to receive an amount of R0,01 (one cent).

2.4 Except as set out in Article 2.7 and until the Vesting Date, the A2 Ordinary Shares shall not be entitled to any participation in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other distributions to shareholders). On the Company acquiring the A2 Repurchase Shares on the Vesting Date in terms of Article 2.7, all of the A2 Remaining Shares automatically and without any further action rank *pari passu* with the ordinary shares in respect of participating in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other distributions to shareholders).

2.5 The holder of the A2 Ordinary Shares shall not be entitled, before the Vesting Date, to dispose of or encumber any of the A2 Ordinary Shares.

2.6 To give effect to the provisions of Article 2.4, the A2 Ordinary Shares shall be certificated and the share certificates of the A2 Ordinary Shares shall be held in safe custody by the secretary of the Company. The certificates of the A2 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

2.7 The Company shall, on the Vesting Date, and subject to and in terms of the provisions of the Act, acquire such number of the A2 Ordinary Shares, at an acquisition price of R0,01 (one cent) per A2 Ordinary Share, as determined in accordance with the following formula:

RA2 equals the greater of:

$$\frac{(P1 \times A2) - D}{P2}$$

and

$$\frac{((P1 + P2 - C) \times A2) - D}{P2}$$

rounded to the nearest share,

provided that RA2 may not be greater than the number of A2 Ordinary Shares in issue on the Vesting Date and may not be less than zero, and where:

RA2 = the number of A2 Ordinary Shares to be acquired (A2 Repurchase Shares);

P1 = VWAP during the 30 JSE trading days preceding the Completion Date 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**;

P2 = VWAP during the 30 JSE trading days preceding the Vesting Date 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**;

A2 = number of A2 Ordinary Shares in issue on the Vesting Date;

D = the aggregate amount of all the dividends that would have been declared and paid in respect of the A2 Ordinary Shares since the Completion Date if the A2 Ordinary Shares were entitled to participate equally with the ordinary shares insofar as the declaration of dividends are concerned;

C = an amount to be determined by Deloitte & Touche such that the aggregate economic cost of the A1 Ordinary Shares and the A2 Ordinary Shares issued to the ESOP Trust as at the Completion Date equals 3,4% of the Company's market capitalisation on that date.

2.8 On the Vesting Date:

2.8.1 the A2 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the A2 Remaining Shares shall be delivered to the holder of the A2 Ordinary Shares to enable the A2 Remaining Shares to become uncertificated;

2.8.2 the A2 Remaining Shares shall rank *pari passu* in all respects with the ordinary shares and;

2.8.3 the A2 Remaining Shares shall be renamed "ordinary shares" and listed on the JSE; and

2.8.4 Articles 2.1 to 2.7 shall cease to be of any further force and effect.

3. **TERMS OF THE B1 ORDINARY SHARES**

3.1 For the purposes of this Article 3:

3.1.1 "B1 Ordinary Shares" means the B1 ordinary shares of no par value in the Company, the terms of which shares are set out in this Article 3;

3.1.2 "B1 Release Date" means the 8th (eighth) anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Article 6;

3.1.3 "B1 Remaining Shares" means the B1 Ordinary Shares, at Vesting Date, which are not B1 Repurchase Shares;

3.1.4 "B1 Repurchase Shares" means the number of the B1 Ordinary Shares which are to be acquired by the Company in accordance with the formula set out in Article 3.7;

3.1.5 "BEE SPV" means Imbewu SPV 14 Proprietary Limited (Registration number 2013/209910/07);

3.1.6 "Completion Date" means the date on which the B1 Ordinary Shares are issued to the BEE SPV;

3.1.7 "ordinary shares" means the issued ordinary shares of no par value in the Company;

3.1.8 "Vesting Date" means the 5th (fifth) anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Article 6; and

3.1.9 "VWAP" means the volume weighted average trading price of an ordinary share in the Company on the JSE.

3.2 The rights or other terms attaching to the B1 Ordinary Shares shall only be varied or cancelled by means of a special resolution passed by the Company with the consent in writing of the holder of the B1 Ordinary Shares.

- 3.3 Each of the B1 Ordinary Shares shall entitle the holder:
- 3.3.1 to receive notice of and vote on any matter to be decided by shareholders in accordance with the Act and this Memorandum of Incorporation and the B1 Ordinary Shares shall rank *pari passu* with the ordinary shares in this respect; and
- 3.3.2 on a liquidation of the Company, to receive an amount of R0.01 (one cent).
- 3.4 Except as set out in Article 3.7 and until the Vesting Date, the B1 Ordinary Shares shall not be entitled to any participation in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other distributions to shareholders). On the Company acquiring the B1 Repurchase Shares on the Vesting Date in terms of Article 3.7, all of the B1 Remaining Shares automatically and without any further action rank *pari passu* with the ordinary shares in respect of participating in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other distributions to shareholders).
- 3.5 The holder of the B1 Ordinary Shares shall not be entitled, before the B1 Release Date, to dispose of or encumber any of the B1 Ordinary Shares, irrespective of whether these shares are B1 Remaining Shares.
- 3.6 To give effect to the provisions of Article 3.4, the B1 Ordinary Shares shall be certificated and the share certificates of the B1 Ordinary Shares shall be held in safe custody by the secretary of the Company. The certificates of the B1 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.
- 3.7 The Company shall, on the Vesting Date, and subject to and in terms of the provisions of the Act, acquire such number of the B1 Ordinary Shares, at an acquisition price of R0.01 (one cent) per B1 Ordinary Share, as determined in accordance with the following formula:

RB1 equals the greater of:

$$\frac{(P1/2 \times B1)}{P2}$$

and

$$\frac{((P1/2 + P2 - C) \times B1)}{P2}$$

rounded to the nearest share,

provided that RB1 may not be greater than the number of B1 Ordinary Shares in issue on the Vesting Date and may not be less than zero, and where:

RB1 = the number of B1 Ordinary Shares to be acquired (B1 Repurchase Shares);

P1 = VWAP during the 30 JSE trading days preceding the Completion Date 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**;

P2 = VWAP during the 30 JSE trading days preceding the Vesting Date 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**;

B1 = number of B1 Ordinary Shares in issue on the Vesting Date;

C = an amount to be determined by Deloitte & Touche such that the aggregate economic cost of the B1 and B2 ordinary shares issued to BEE SPV as at the Completion Date does not exceed R20 000 000 (twenty million Rand).

3.8 On the B1 Release Date:

- 3.8.1 the B1 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B1 Remaining Shares shall be delivered to the holder of the B1 Ordinary Shares to enable the B1 Remaining Shares to become uncertificated;
- 3.8.2 the B1 Remaining Shares shall rank *pari passu* in all respects with the ordinary shares;
- 3.8.3 the B1 Remaining Shares shall be renamed "ordinary shares" and shall be listed on the JSE; and
- 3.8.4 Articles 3.1 to 3.7 shall cease to be of any further force and effect.

4. TERMS OF THE B2 ORDINARY SHARES

4.1 For the purposes of this Article 4:

- 4.1.1 “B2 Ordinary Shares” means the B2 ordinary shares of no par value in the Company, the terms of which shares are set out in this Article 4;
- 4.1.2 “B2 Release Date” means the 8th (eighth) anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Article 6;
- 4.1.3 “B2 Remaining Shares” means the B2 Ordinary Shares, at Vesting Date, which are not B2 Repurchase Shares;
- 4.1.4 “B2 Repurchase Shares” means the number of the B2 Ordinary Shares which are to be acquired by the Company in accordance with the formula set out in Article 4.7;
- 4.1.5 “BEE SPV” means Imbewu SPV 14 Proprietary Limited (Registration number 2013/209910/07);
- 4.1.6 “Completion Date” means the date on which the B2 Ordinary Shares are issued to the BEE SPV;
- 4.1.7 “ordinary shares” means the issued ordinary shares of no par value in the Company;
- 4.1.8 “Vesting Date” means the 5th (fifth) anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Article 6; and
- 4.1.9 “VWAP” means the volume weighted average trading price of an ordinary share in the Company on the JSE.

4.2 The rights or other terms attaching to the B2 Ordinary Shares shall only be varied or cancelled by means of a special resolution passed by the Company with the consent in writing of the holder of the B2 Ordinary Shares.

4.3 Each of the B2 Ordinary Shares shall entitle the holder:

- 4.3.1 to receive notice of and vote on any matter to be decided by shareholders in accordance with the Act and this Memorandum of Incorporation and the B2 Ordinary Shares shall rank *pari passu* with the ordinary shares in this respect; and
- 4.3.2 on a liquidation of the Company, to receive an amount of R0,01 (one cent).

4.4 Except as set out in Article 4.7 and until the Vesting Date, the B2 Ordinary Shares shall not be entitled to any participation in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other distributions to shareholders). On the Company acquiring the B2 Repurchase Shares on the Vesting Date in terms of Article 4.7, all of the B2 Remaining Shares automatically and without any further action rank *pari passu* with the ordinary shares in respect of participating in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other distributions to shareholders).

4.5 The holder of the B2 Ordinary Shares shall not be entitled, before the B2 Release Date, to dispose of or encumber any of the B2 Ordinary Shares, irrespective of whether these shares are B2 Remaining Shares.

4.6 To give effect to the provisions of Article 4.4, the B2 Ordinary Shares shall be certificated and the share certificates of the B2 Ordinary Shares shall be held in safe custody by the secretary of the Company. The certificates of the B2 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

4.7 The Company shall, on the Vesting Date, and subject to and in terms of the provisions of the Act, acquire such number of the B2 Ordinary Shares, at an acquisition price of R0,01 (one cent) per B2 Ordinary Share, as determined in accordance with the following formula:

RB2 equals the greater of:

$$\frac{(P1 \times B2)}{P2}$$

and

$$\frac{((P1 + P2 - C) \times B2)}{P2}$$

rounded to the nearest share,

provided that RB2 may not be greater than the number of B2 Ordinary Shares in issue on the Vesting Date and may not be less than zero, and where:

RB2 = the number of B2 Ordinary Shares to be acquired (B2 Repurchase Shares);

P1 = VWAP during the 30 JSE trading days preceding the Completion Date 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**;

P2 = VWAP during the 30 JSE trading days preceding the Vesting Date 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**;

B2 = number of B2 Ordinary Shares in issue on the Vesting Date;

C = an amount to be determined by Deloitte & Touche such that the aggregate economic cost of the B1 and B2 ordinary shares issued to BEE SPV as at the Completion Date does not exceed R20 000 000 (twenty million Rand).

4.8 On the B2 Release Date:

4.8.1 the B2 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B2 Remaining Shares shall be delivered to the holder of the B2 Ordinary Shares to enable the B2 Remaining Shares to become uncertificated;

4.8.2 the B2 Remaining Shares shall rank *pari passu* in all respects with the ordinary shares;

4.8.3 the B2 Remaining Shares shall be renamed "ordinary shares" and shall be listed on the JSE; and

4.8.4 Articles 4.1 to 4.7 shall cease to be of any further force and effect.

5. **TERMS OF THE B3 ORDINARY SHARES**

5.1 For the purposes of this Article 5:

5.1.1 "B3 Ordinary Shares" means the B3 ordinary shares of no par value in the Company, the terms of which shares are set out in this Article 5;

5.1.2 "B3 Release Date" means the 8th (eighth) anniversary of the Completion Date or, if applicable, such other date as determined in accordance with Article 6;

5.1.3 "BEE SPV" means Imbewu SPV 14 Proprietary Limited (Registration number 2013/209910/07);

5.1.4 "Completion Date" means the date on which the B3 Ordinary Shares are issued to the BEE SPV;

5.1.5 "ordinary shares" means the issued ordinary shares of no par value in the Company;

5.2 The rights or other terms attaching to the B3 Ordinary Shares shall only be varied or cancelled by means of a special resolution passed by the Company with the consent in writing of the holder of the B3 Ordinary Shares.

5.3 Each of the B3 Ordinary Shares shall entitle the holder:

5.3.1 to receive notice of and vote on any matter to be decided by shareholders in accordance with the Act and this Memorandum of Incorporation and the B3 Ordinary Shares shall rank *pari passu* with the ordinary shares in this respect; and

5.3.2 on a liquidation of the Company, to receive an amount of R0,01 (one cent).

5.4 The B3 Ordinary Shares shall not be entitled to any participation in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other distributions to shareholders).

5.5 The holder of the B3 Ordinary Shares shall not be entitled, before the B3 Release Date, to dispose of or encumber any of the B3 Ordinary Shares.

5.6 To give effect to the provisions of Article 5.4, the B3 Ordinary Shares shall be certificated and the share certificates of the B3 Ordinary Shares shall be held in safe custody by the secretary of the Company. The certificates of the B3 Ordinary Shares shall be appropriately endorsed to reflect

the existence of the safe custody arrangement.

- 5.7 The Company shall, on the B3 Release Date, and subject to and in terms of the provisions of the Act, acquire all of the B3 Ordinary Shares in issue, at an acquisition price of R0,01 (one cent) per B3 Ordinary Share.
- 5.8 On the Company acquiring the B3 Ordinary Shares in terms of Article 5.7, Articles 5.1 to 5.7 shall cease to be of any further force and effect.

6. CHANGE OF CONTROL

- 6.1 For the purposes of this Article 6, a change of control will occur if:
 - (i) an offer is made by a third party or parties or any existing shareholder of the Company (“the Third Party”) to all of the shareholders of the Company in terms of the Takeover Regulations as promulgated in terms of the Act (as it may be amended or replaced from time to time) to acquire:
 - (a) all of the Company’s shareholders’ shares in the Company (“the Third Party Offer”) as a result of which such Third Party acquires beneficial ownership, whether of all or a majority of the issued ordinary shares (or other equity interest) in the Company; or
 - (b) such number of the Company’s shareholders’ shares in the Company so as to trigger a mandatory offer in terms of section 123 of the Act; and/or
 - (ii) the Company is de-listed from the JSE (a “Change of Control”).
- 6.2 If a Change of Control occurs at any time prior to the relevant Vesting Date, and such Change of Control becomes unconditional and takes effect in accordance with its terms, the holder of the B1 Ordinary Shares and B2 Ordinary Shares shall be entitled to give written notice to the Company at any time prior to such Change of Control becoming unconditional and taking effect, that it wishes to accelerate the relevant Vesting Date in respect of the B1 Ordinary Shares and the B2 Ordinary Shares and the date upon which such Change of Control becomes unconditional and takes effect shall then be deemed to be the Vesting Date. For the avoidance of doubt, the purpose of this article, read with article 6.3, is to enable the holder of the B1 Ordinary Shares and the B2 Ordinary Shares to maximise its advantage in participating in any transaction which leads to or amounts to a Change of Control.
- 6.3 If the holder of the B1 Ordinary Shares and the B2 Ordinary Shares gives written notice in terms of Article 6.2, the B1 Release Date, the B2 Release Date and the B3 Release Date shall be deemed to be the date upon which such Change of Control becomes unconditional and takes effect.
- 6.4 Notwithstanding anything to the contrary contained in this Schedule B, the holders of the A1 Ordinary Shares, A2 Ordinary Shares, B1 Ordinary Shares and B2 Ordinary Shares shall be entitled to accept any comparable offer made in terms of section 125 of the Act, and nothing in the Memorandum of Incorporation shall prohibit the acceptance by the holders of the A1 Ordinary Shares, A2 Ordinary Shares, B1 and B2 Ordinary Shares of such comparable offer.
- 6.5 If a Change of Control occurs at any time prior to the relevant Vesting Date, and such Change of Control becomes unconditional and takes effect in accordance with its terms, the board of the Company shall be entitled, at any time prior to such Change of Control becoming unconditional and taking effect, that it wishes to accelerate the relevant Vesting Date in respect of the A1 Ordinary Shares and the A2 Ordinary Shares and the date upon which such Change of Control becomes unconditional and takes effect shall then be deemed to be the Vesting Date.

DETERMINATION OF MARKET VALUE

“**Market Value**” in respect of any shares to be sold or valued in terms of this Memorandum of Incorporation shall mean the ‘market value’ of the relevant shares as agreed in writing between the parties to the relevant transaction. Failing such agreement within 10 (ten) Business Days of a party requesting in writing such agreement, then the Market Value of the relevant shares shall be determined by the chairman of the Company and the chairman of BEE SPV. If the two chairmen cannot determine the Market Value of the relevant shares within 7 (seven) days of the matter being referred to them, then the determination of the Market Value of the relevant shares shall be referred to final and binding expert determination. The expert shall be a domestic investment bank with appropriate experience agreed to in writing by the relevant parties, and failing agreement within 3 (three) days of the expiry of the aforementioned 7 (seven) day period, the expert (being an independent investment bank with appropriate experience) shall be appointed by the President of the South African Institute of Chartered Accountants on the written request of any of the parties. In determining the Market Value of the relevant shares, the expert shall act as an expert and not as an arbitrator (and the decision of the expert shall be final and binding on the parties).



HULAMIN

Hulamin Limited

(Incorporated in the Republic of South Africa)

(Registration number 1940/013924/06)

JSE code: HLM ISIN: ZAE000096210

("Hulamin" or "the Company")

NOTICE OF GENERAL MEETING OF HULAMIN SHAREHOLDERS

Notice is hereby given that a general meeting of shareholders will be held at the Company's offices, Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal on Thursday, 23 April 2015 at 15:15, or immediately after the conclusion of the Company's Annual General Meeting to be held at 14:45 on the same day and at the same venue, to consider and if deemed fit, to pass, with or without modification the following resolutions:

DEFINITIONS AND INTERPRETATION

Terms defined in the circular to which this notice of general meeting is attached (**the Circular**) shall, unless the context indicates otherwise, have the same meaning ascribed to them in this notice and the resolutions as those ascribed to them in the Circular.

CONDITIONS TO THE RESOLUTIONS

Each resolution set out in this notice is subject to the passing, and where applicable filing with CIPC in terms of the Companies Act, of all other resolutions and is also subject to the fulfilment of the conditions precedent set out in paragraph 3.13 of the Circular.

GENERAL PURPOSE OF THE MEETING

The general purpose of the meeting is to approve the BEE Transaction and to amend the Memorandum of Incorporation to effect the BEE Transaction and matters incidental thereto.

SPECIAL RESOLUTION NUMBER 1 – DECREASING THE NUMBER OF AUTHORISED SHARES

RESOLVED AS A SPECIAL RESOLUTION subject to the conditions set out in the notice of the meeting at which this special resolution will be considered, that the Memorandum of Incorporation be and is hereby amended by decreasing the number of authorised (but unissued) shares of the Company as follows:

- the existing A ordinary shares with a par value of R0,10 each be and are hereby cancelled;
- the existing B1 ordinary shares with a par value of R0,10 each be and are hereby cancelled;
- the existing B2 ordinary shares with a par value of R0,10 each be and are hereby cancelled; and
- the existing B3 ordinary shares with a par value of R0,10 each be and are hereby cancelled.

This resolution requires the support of at least 75% of the voting rights exercised on the resolution.

SPECIAL RESOLUTION NUMBER 2 – CONVERSION OF ORDINARY SHARES FROM PAR VALUE TO NO PAR VALUE

RESOLVED AS A SPECIAL RESOLUTION subject to the conditions set out in the notice of the meeting at which this special resolution will be considered, that in terms of Regulation 31 of the Regulations all the ordinary shares of the Company, comprising 800 000 000 authorised and 319 596 836 issued ordinary shares having a par value of R0,10 each, be and are hereby, without altering the substance of the specific rights and privileges associated therewith, converted into ordinary shares having no par value on the basis that each ordinary no par value share shall have the same value, rights and privileges, as the value, rights and privileges which attached to such shares immediately prior to the passing of this Special Resolution Number 2 and that the whole of the amounts standing to the credit of the share capital account and the share premium account of the Company be transferred to the stated capital account of the Company.

This resolution requires the support of at least 75% of the voting rights exercised on the resolution.

SPECIAL RESOLUTION NUMBER 3 – INCREASING THE NUMBER OF AUTHORISED SHARES

RESOLVED AS A SPECIAL RESOLUTION subject to the conditions to the resolutions set out in the notice of the meeting at which this special resolution will be considered, that the Memorandum of Incorporation be and is hereby amended by increasing the number of authorised shares of the Company as follows:

1. creating 4 721 600 A1 ordinary shares of no par value which shall carry the rights, limitations and other terms set out in the new Schedule B to the Memorandum of Incorporation, to be amended in terms of Special Resolution Number 4 which will be passed immediately after this resolution is passed;
2. creating 26 755 733 A2 ordinary shares of no par value which shall carry the rights, limitations and other terms set out in the new Schedule B to the Memorandum of Incorporation, to be amended in terms of Special Resolution Number 4 which will be passed immediately after this resolution is passed;
3. creating 9 018 000 B1 ordinary shares of no par value which shall carry the rights, limitations and other terms set out in the new Schedule B to the Memorandum of Incorporation, to be amended in terms of Special Resolution Number 4 which will be passed immediately after this resolution is passed;
4. creating 9 018 000 B2 ordinary shares of no par value which shall carry the rights, limitations and other terms set out in the new Schedule B to the Memorandum of Incorporation, to be amended in terms of Special Resolution Number 4 which will be passed immediately after this resolution is passed;
5. creating 18 036 000 B3 ordinary shares of no par value which shall carry the rights, limitations and other terms set out in the new Schedule B to the Memorandum of Incorporation, to be amended in terms of Special Resolution Number 4 which will be passed immediately after this resolution is passed,

so as to result in the Company having the following authorised shares:

1. 800 000 000 ordinary shares of no par value;
2. 4 721 600 A1 Ordinary Shares of no par value;
3. 26 755 733 A2 Ordinary Shares of no par value;
4. 9 018 000 B1 Ordinary Shares of no par value;
5. 9 018 000 B2 Ordinary Shares of no par value;
6. 18 036 000 B3 Ordinary Shares of no par value.

This resolution requires the support of at least 75% of the voting rights exercised on the resolution.

SPECIAL RESOLUTION NUMBER 4 – AMENDMENT OF THE MEMORANDUM OF INCORPORATION

RESOLVED AS A SPECIAL RESOLUTION, subject to the conditions to the resolutions set out in the notice of the meeting at which this special resolution will be considered, that in order to give effect to Special Resolution Number 1, Special Resolution Number 2 and Special Resolution Number 3 and in terms of sections 16(1)(c), 36(2) and 65(11) of the Companies Act, the Memorandum of Incorporation be and is hereby amended by:

1. deleting Article 10.1 of the Memorandum of Incorporation and replacing it with the following new Article 10.1:

“10.1 The Company is authorised to issue shares as set out below:

Ordinary Shares

The Company is authorised to issue 800 000 000 ordinary shares of no par value, each of which entitles the holder to:

- (a) one vote on any matter to be decided by a vote of holders of securities of the Company;*
- (b) participate in any distribution of profit to the holders of securities of the Company; and*
- (c) share in the distribution of the Company’s residual value upon its dissolution.*

A1 Ordinary Shares:

The Company is authorised to issue 4 721 600 A1 ordinary shares of no par value, the rights, limitations and other terms of which are set out in Schedule B to this Memorandum of Incorporation.

A2 Ordinary Shares:

The Company is authorised to issue 26 755 733 A2 ordinary shares of no par value, the rights, limitations and other terms of which are set out in Schedule B to this Memorandum of Incorporation.

B1 Ordinary Shares:

The Company is authorised to issue 9 018 000 B1 ordinary shares of no par value, the rights, limitations and other terms of which are set out in Schedule B to this Memorandum of Incorporation.

B2 Ordinary Shares:

The Company is authorised to issue 9 018 000 B2 ordinary shares of no par value, the rights, limitations and other terms of which are set out in Schedule B to this Memorandum of Incorporation.

B3 Ordinary Shares:

The Company is authorised to issue 18 036 000 B3 ordinary shares of no par value, the rights, limitations and other terms of which are set out in Schedule B to this Memorandum of Incorporation.”; and

2. deleting Schedule B (Terms and Conditions of A, B1, B2 and B3 Ordinary Shares) to the Memorandum of Incorporation in its entirety and replacing it with the new Schedule B (Rights, Limitations and Other Terms of the A1, A2, B1, B2 and B3 Ordinary Shares) in the form of Annexure 8 to the Circular.

This resolution requires the support of at least 75% of the voting rights exercised on the resolution.

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE BEE TRANSACTION

RESOLVED, subject to the conditions to the resolutions set out in the notice of the meeting at which this ordinary resolution will be considered, that the BEE Transaction outlined in the Circular to which this notice is attached be and is hereby approved.

This resolution requires the support of a majority of the voting rights exercised on the resolution.

ORDINARY RESOLUTION NUMBER 2 – APPROVAL OF THE ESOP

RESOLVED, subject to the conditions to the resolutions set out in the notice of the meeting at which this ordinary resolution will be considered, that the Employee Share Ownership Scheme as set out in the ESOP Trust Deed (“the ESOP Scheme”), a copy of which was tabled at the meeting at which this ordinary resolution was passed and initialled by the Chairperson of the meeting for purposes of identification, and details of which are contained in paragraph 3.5 of the Circular to which this notice is attached, be and is hereby approved and that the directors of the Company be and they are hereby authorised to take all such steps as may be necessary for the establishment and carrying into effect of the ESOP Scheme, including the issue of A1 Ordinary Shares and A2 Ordinary Shares on the terms and conditions set out in the ESOP Scheme, to participants of the ESOP Scheme, including directors of the Company, be and is hereby approved.

This resolution requires the support of a majority of the voting rights exercised on the resolution.

SPECIAL RESOLUTION NUMBER 5 – ISSUE OF A ORDINARY SHARES AND B ORDINARY SHARES

RESOLVED, subject to the conditions to the resolutions set out in the notice of the meeting at which this special resolution will be considered, that:

1. the directors of the Company be and are hereby authorised as a specific authority in terms of the Listings Requirements of the JSE Limited and section 41 of the Companies Act to issue for cash up to a maximum of 4 721 600 A1 Ordinary Shares in the Company for an aggregate subscription price which shall represent the economic cost to the Company of these A1 Ordinary Shares as calculated with reference to the volume weighted average trading price of ordinary shares of the Company on the JSE for the 30 trading days before the issue of these shares to the trustees for the time being of the Hulamin Employee Share Ownership Trust established for purposes of the new Hulamin Employee Share Ownership Scheme;
2. the directors of the Company be and are hereby authorised as a specific authority in terms of the Listings Requirements of the JSE Limited and section 41 of the Companies Act to issue for cash up to a maximum of 26 755 733 A2 Ordinary Shares in the Company for an aggregate subscription price which shall represent the economic cost to the Company of these A2 ordinary shares as calculated with reference to the volume weighted average trading price of ordinary shares of the Company on the JSE for the 30 trading days before the issue of these shares to the trustees for the time being of the Hulamin Employee Share Ownership Trust established for purposes of the new Hulamin Employee Share Ownership Scheme;
3. the directors of the Company be and are hereby authorised as a specific authority in terms of the Listings Requirements of the JSE Limited and section 41 of the Companies Act to issue for cash up to a maximum of 9 018 000 B1 Ordinary Shares in the Company for an aggregate subscription price of R90 180 to BEE SPV;
4. the directors of the Company be and are hereby authorised as a specific authority in terms of the Listings Requirements of the JSE Limited and section 41 of the Companies Act to issue for cash up to a maximum of 9 018 000 B2 Ordinary Shares in the Company for an aggregate subscription price of R90 180 to BEE SPV;

5. the directors of the Company be and are hereby authorised as a specific authority in terms of the Listings Requirements of the JSE Limited and section 41 of the Companies Act to issue for cash up to a maximum of 18 036 000 B3 Ordinary Shares in the Company for an aggregate subscription price of R180 360 to BEE SPV;

This resolution requires the support of at least 75% of the voting rights exercised on the resolution.

SPECIAL RESOLUTION NUMBER 6 – ACQUISITION OF THE A ORDINARY SHARES AND B ORDINARY SHARES AT MATURITY

RESOLVED, subject to the conditions to the resolutions set out in the notice of the meeting at which this special resolution will be considered, that the Company be and is hereby authorised by way of a specific authority in terms of the Listings Requirements of the JSE Limited and section 48 of the Companies Act to acquire:

1. such number of issued A2 Ordinary Shares in the Company as the Company may be entitled to acquire in terms of Article 2.7 of the Memorandum of Incorporation of the Company referred to in special resolution number 4 as and when the Company exercises its rights in terms of article 2.7, for a consideration of R0,01 per A2 Ordinary Share;
2. such number of issued B1 Ordinary Shares in the Company as the Company may be entitled to acquire in terms of Article 3.7 of the Memorandum of Incorporation of the Company referred to in special resolution number 4 as and when the Company exercises its rights in terms of article 3.7, for a consideration of R0,01 per B1 Ordinary Share;
3. such number of issued B2 Ordinary Shares in the Company as the Company may be entitled to acquire in terms of Article 4.7 of the Memorandum of Incorporation of the Company referred to in special resolution number 4 as and when the Company exercises its rights in terms of article 4.7, for a consideration of R0,01 per B2 Ordinary Share;
4. such number of issued B3 Ordinary Shares in the Company as the Company may be entitled to acquire in terms of Article 5.7 of the Memorandum of Incorporation of the Company referred to in special resolution number 4 as and when the Company exercises its rights in terms of article 5.7, for a consideration of R0,01 per B3 Ordinary Share.

This resolution requires the support of at least 75% of the voting rights exercised on the resolution.

SPECIAL RESOLUTION NUMBER 7 – FINANCIAL ASSISTANCE

RESOLVED, subject to the conditions to the resolutions set out in the notice of the meeting at which this special resolution will be considered, that the Company be and is hereby authorised in terms of sections 44 and 45 of the Companies Act to provide financial assistance to Imbewu SPV 14 Proprietary Limited by way of a contribution in an amount of R360 720,00 on the other terms and conditions which the directors determine.

This resolution requires the support of at least 75% of the voting rights exercised on the resolution.

Record date, voting and proxies

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 shareholders meeting, is Friday, 17 April 2015 and the last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the shareholders meeting is Friday, 10 April 2015.

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 shareholders 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 shareholders meeting in such shareholder's stead.

Should any shareholder who holds dematerialised ordinary shares in the Company and has not selected “own name” registration, wish to attend, speak and vote at the shareholders 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 shareholders 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 shareholders 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. Such proxy form, duly completed, must be forwarded to reach the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 15:15 on Tuesday, 21 April 2015. The completion of a proxy form will not preclude a shareholder from attending the shareholders meeting.

All meeting participants will be required to provide identification reasonably satisfactory to the Chairman of the shareholders meeting.

Electronic participation by shareholders

Should any shareholder (or any proxy for a shareholder) wish to participate in the shareholders 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 at least five business days prior to the shareholders meeting 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 shareholders 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 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 this notice.**

By order of the board

W Fitchat

Company secretary

Registered Office: Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal

Transfer Secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)

24 March 2015



HULAMIN

Hulamin Limited

(Incorporated in the Republic of South Africa)

(Registration number 1940/013924/06)

JSE code: HLM ISIN: ZAE000096210

("Hulamin" or "the Company")

FORM OF PROXY

Note: All beneficial shareowners that have dematerialised their shares through a CSDP or broker, other than those which are in "own name", must not complete this form.

Instead, they must either provide the CSDP or broker with their voting instructions, or alternatively, should they wish to attend the meeting themselves, they may request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between themselves and the CSDP or broker.

Completed forms of proxy must be received at the registered office of the Company or at the office of the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by not later than 15:15 on Tuesday, 21 April 2015.

A shareholder entitled to attend and vote at the meeting mentioned below is entitled to appoint a proxy or proxies to attend, speak and, on a poll, to vote in his stead. A proxy need not be a shareholder of the Company.

I/We (name in block letters)

of (address in block letters)

Telephone number

Cellphone number

email address

being the holder/holders of ordinary shares in Hulamin do hereby appoint

1. _____ of _____ (or failing him/her),

2. _____ of _____ (or failing him/her),

3. the Chairman of the meeting as my/our proxy to attend and speak and to vote for me/us at the shareholders general meeting of the Company to be held at Hulamin's head offices on 23 April 2015, for the purpose of considering and, if deemed fit, passing, with or without modification, all the resolutions to be proposed thereat, or at any adjournment thereof, as follows:

Resolution	For	Against	Abstain
Special Resolution Number 1 – decreasing the number of authorised shares			
Special Resolution Number 2 – conversion of ordinary shares from par value to no par value			
Special Resolution Number 3 – increasing the number of authorised shares			
Special Resolution Number 4 – amendment of the Memorandum of Incorporation			
Ordinary Resolution Number 1 – approval of the BEE transaction			
Ordinary Resolution Number 2 – approval of the ESOP			
Special Resolution Number 5 – issue of A Ordinary Shares and B Ordinary Shares			
Special Resolution Number 6 – acquisition of the A Ordinary Shares and B Ordinary Shares at maturity			
Special Resolution Number 7 – financial assistance			

Signed at _____ on this _____ day of _____ 2015

Signature: _____

NOTES TO THE FORM OF PROXY

1. A shareholder's instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the shareholders meeting as he/she deems fit. A shareholder may instruct the proxy to vote less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A shareholder who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the shareholder's votes exercisable at the shareholders meeting.
2. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (eg for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the Company's share registrar or waived by the Chairman of the shareholders meeting.
3. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
4. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the share registrars of the Company.
5. The Chairman of the shareholders meeting may accept any form of proxy which is completed other than in accordance with these notes if the Chairman of the shareholders meeting is satisfied as to the manner in which the shareholder wishes to vote.

Summary in terms of section 58(8)(b)(i) of the Companies Act, 2008, as amended

Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008, as amended, which summary is set out below:

- A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person.
- A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
- A shareholder may revoke a proxy appointment in writing.
- A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.