



HULAMIN
Think future. Think aluminium.

Governance report

for the year ended 31 December 2021



Corporate governance

- 1 King IV application
- 10 Corporate governance



Hulamin has adopted the King IV report on Corporate Governance for South Africa, 2016 and this report therefore addresses all the principles of King IV, save for principle 17 as this relates to institutional investor companies.

King IV application

1. Leadership, Ethics and Corporate Citizenship

1.1 Leadership

Principle 1: The governing body should lead ethically and effectively

The primary mission of the Hulamin board of directors ("the Board") is to ensure that Hulamin acts responsibly in pursuit of its business goals in a manner which balances the interests of all stakeholders.

The Board views the implementation of good corporate governance practices as integral to its business and recognises the importance between effective governance, sustainable organisational performance and creating long-term value for all stakeholders. The Board is committed to act in good faith and in the best interest of the organisation, to act ethically and to maintain the highest standards of good governance in order to promote quality decision-making and the execution thereof. The directors, as set out in the director's code of conduct, are required to comply with two overriding standards of diligence (duties of care and skill) and good faith (fiduciary duties).

As a steward of the company, each director of Hulamin also needs to discharge the following moral duties:

Conscience: a director needs to act with intellectual honesty and independence of mind in the best interest of the company and all its stakeholders, set the tone for an ethical organisational culture and ensure that the organisation does not adversely affect the natural environment, society and future generations.

Inclusivity: of stakeholders to achieve sustainability and the interests of stakeholders must be taken into account in decision-making and strategy.

Competence: a director should have the knowledge and skills required for governing a company effectively and continually develop this competence.

Commitment: a director should be diligent in performing his/her duties and devote sufficient time to company affairs.

Courage: a director should also have the courage to act with integrity in all Board decisions and activities and to take the risks associated with directing a successful sustainable business as well as taking responsibility for the prevention of any negative outcomes.

The Board assumes collective responsibility for steering and setting the direction of Hulamin as detailed in the roles and responsibilities of the Board set out in the Board Charter which was updated with reference to King IV and adopted by the Board. Members of the Board are committed to transparency, accountability, fairness, integrity and ethical leadership.

The evaluation of the ethical performance and corporate leadership of the Board forms part of the board and director performance evaluations which are currently performed once every two years.

1.2 Organisational Ethics

Principle 2: The governing board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

Hulamin has adopted a Code of Ethics which has been actively endorsed by the Board and distributed to all employees in the group and is made available on both the group intranet ("Hulanet") and on the Hulamin website (www.hulamin.co.za) as well as related policies such as the policy guidelines on fraud, theft, corruption and other unethical behaviour. The Code of Ethics requires all employees and directors of the group to be committed to fair dealing, honesty and integrity in the conduct of its business and also outlines the group's position on gifts and entertainment. The Code of Ethics is designed to raise ethical awareness, act as a guide to day-to-day decisions and to assure customers, suppliers and other stakeholders of the group's commitment to ethical behaviour.

An important element of the employee induction process is to communicate to new employees the Code of Ethics, the group's core values and its compliance procedures. Compliance with the Code of Ethics is included in contracts of employment. Compliance by all employees with the high moral, ethical and legal standards of the Code of Ethics is mandatory, and if employees become aware of, or suspect, a contravention of the Code of Ethics, they must promptly and confidentially report it in the prescribed manner.

The Code of Ethics for employees and the Code of Conduct for Suppliers and Service Providers, which is made available to suppliers and service providers, is approved by the Social, Ethics and Sustainability Committee ("SESC"), which also oversees the embedding of the Code of Ethics and reporting. The ongoing training of employees on the Code of Ethics remains a key focus area.

Appropriate action is taken in respect of all reported instances of non-compliance with the Code of Ethics and Code of Conduct for Suppliers and Service Providers.

King IV application continued

1. Leadership, Ethics and Corporate Citizenship continued

1.2 Organisational Ethics continued

Principle 2: The governing board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture continued

Whistle-blowing

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

Contact details of the Vuvuzela Fraud and Ethics Lines are as follows:

- Toll-free number: 080 225 5 688
- Toll-free facsimile: 080 000 7788
- Email: Hulamin@tip-offs.com
- Website: www.tip-offs.com

All fraud and theft matters are reported to the Audit Committee and SESC. There were no significant frauds or thefts during the report period. No material matters were reported to the committees during the reporting period.

1.3 Responsible Corporate Citizen

Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen

The Board has delegated to the SESC the responsibility to oversee corporate citizenship by setting the direction for how it should be approached and it oversees the implementation thereof. The primary objective of SESC is to lead the formulation and articulation of Hulamin's transformation, B-BBEE strategy, social and ethics strategy, to align this with the overall business strategy of Hulamin, to assist and advise on the setting of targets and to review the progress in achieving those targets. Further, *inter alia*, SESC and the Risk Committee assist the Board to ensure Hulamin is seen to be a responsible corporate citizen and to ensure that Hulamin's impact on the economy (including economic transformation, prevention, detection and response to fraud and corruption), the society (including employee and contractor health and safety, consumer protection and protection of human rights) and the environment (including responsibilities in respect of pollution and waste disposal) is sustainable. Further key responsibilities of SESC are to oversee the general compliance with labour and employment law, including the Bill of Rights.

SESC also oversees initiatives to promote equality, to prevent unfair discrimination and to contribute to the development of the communities in which Hulamin's activities are predominately conducted, as well as sponsorships and donations.

Further reporting on the activities of SESC and reporting on the above matters are set out on page 19 of this report and in the Sustainability Report available on Hulamin's website at www.hulamin.co.za

Planned areas of future focus include the refinement of environmental sustainability measures and targets.

King IV application continued

2. Strategy, Performance and Reporting

2.1 Strategy and Performance

Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

A key responsibility of the Board as set out in its Charter is to delegate to management the formulation of Hulamin's strategy and at the annual Board strategic workshop where the proposed strategy is considered by the Board, management is challenged with reference, *inter alia*, to the timelines and key performance measures to give effect to the strategy, the key risks and opportunities identified, the key resources and relationships connected to the various forms of capital, the interests of all stakeholders, the transformation initiatives and the inter-dependence of the above.

The Board has also delegated to management the responsibility to implement and execute the approved policies and operational plans. A Board business plan workshop is typically held in May of each year where the Board considers the medium- to long-term business plan of the group and the related key performance measures, as well as the projected financial performance of the business and the proposed hedging and funding strategy.

The strategy and the business plan, including key performance measures and targets, are approved at Board meetings. The Board actively monitors performance against all the targets.

Further information of the business, strategic leadership and value creation is set out in the Integrated Annual Report.

2.2 Reporting

Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects

In developing the integrated report for Hulamin, the Board is guided by the International Integrated Reporting Framework, the King IV Report on Corporate Governance, the JSE Listings Requirements and the Companies Act, No 71 of 2008, as amended, and the Companies Act regulations. This report includes, *inter alia*, information relative to an overview of Hulamin, the business in context, strategic leadership, value creation, performance management, financial statements and shareholder information.

The Board has delegated to the Audit Committee the responsibility to oversee the reporting of all financial infrastructure, and any other information, which together constitute Hulamin's integrated reporting, prior to its approval by the Board. The Audit Committee responsibilities, *inter alia*, also include recommending to the Board for approval how assurance should be approached to ensure the integrity of external reports, such as those related to material sustainability issues and financial results. In this regard, the Audit Committee takes into account the legal requirements in relation to assurance. Hulamin's website is used, *inter alia*, to report to stakeholders its integrated reports, annual financial statements and newsworthy items also released on the Stock Exchange News Service.

King IV application continued

3. Governing Structures and Delegation

3.1 Primary Role and Responsibilities of the Governing Body

Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation

The Board's primary role and responsibilities as set out in its approved Board Charter, which is reviewed as and when required, include:

- Approving corporate strategy, including business plans and budgets and to bring independent, informed and effective judgement and leadership to bear on the material decisions of the company.
- Overseeing and monitoring management's implementation of the approved strategies and business plans and budgets.
- Ensure accountability for the group's performance by means of, among others, reporting and disclosure.

The Board Charter also highlights the role of the Board as the custodian of corporate governance and addresses the fiduciary duties and responsibilities of the Board and directors. It also sets out the procedures to be followed in the event Board members or Board committees need to obtain independent, external professional advice, and the procedures to be followed by non-executive Board members for access to senior staff and the books and records of Hulamin, to enable them to make competent decisions about the affairs of Hulamin.

An annual Board plan is in place to assist the Board to fulfil its responsibilities in accordance with the Board Charter. The Board is satisfied that it has done so relative to the 2021 reporting period.

3.2 Composition of the Governing Body

Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

Hulamin has a unitary Board structure which, at 31 December 2021, comprised of nine non-executive directors, of whom six are independent, two of whom are non-executive directors and one alternative non-executive director and two executive directors (which includes the CEO and CFO), drawn from a broad spectrum of business.

The Board at a glance

	Year of appointment	Age	Board committees					Chairman's
			Audit	Risk	Remuneration and Nomination	Social, Ethics and Sustainability	Independent Board ³	
Independent non-executive directors								
TP Leeuw (Chairman)	2007	58		Member	Member		Chairperson	Chairperson
CA Boles	2016	52	Member		Chairperson		Member	Member
RL Larson	2017	66		Member			Member	
N Maharajh	2016	55	Chairperson	Member			Member	Member
Dr B Mehloimakulu	2016	49	Member	Member		Member	Member	
GHM Watson	2011	70		Chairperson	Member		Member	Member
Non-executive directors								
VN Khumalo	2006	59				Chairperson		Member
SP Ngwenya	2007	68				Member		
GC Zondi (Alternate)	2016	48						
Executive directors								
RG Jacob (CEO)	2010	56		Member		Member		
LM Farquharson ¹	2020	49		Member				
M Gounder ²	2021	46		Member				

Directors ages are quoted as at 31 December 2021

Note 1: LM Farquharson appointed as Acting CFO and Director and member of Risk Committee for the period 1 November 2020 to 31 March 2021

Note 2: M Gounder was appointed as CFO, Director and member of Risk Committee from 1 April 2021

Note 3: Independent Board Committee was established in September 2021

Collectively, the directors have a wide array of skills, knowledge and experience, and bring independent judgement to Board deliberations and decisions, and with no one individual or group having unfettered powers of decision-making. The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence. The Board has adopted a Board Diversity Policy with set targets in accordance with the JSE Listings Requirements and which are taken into consideration in addressing the Board succession plan.

King IV application continued

The voluntary target for female representation on the Board of Hulamin by the end of 2021, is a range of 25% to 40%. At the end of December 2021 one board member of the eleven was female (9%).

The voluntary race targets are as follows:

- African: 45%
- Indian/Colored's: 18%
- Whites: 36%

As at the end of December 2021 there were five Africans, two Indian, and four White directors.

Changes to the Board in 2021

L Farquharson was appointed acting Chief Financial Officer for the period 1 November 2020 to 31 March 2021. M Gounder was appointed as Chief Financial Officer and director of the Board with effect from 1 April 2021.

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

Board Practice

The role of the Chairman (TP Leeuw), and that of the Chief Executive Officer (RG Jacob), are separate with a clear division of responsibilities as set out in the Board Charter.

Director Rotation at Annual General Meeting (AGM)

In accordance with the company's Memorandum of Incorporation, executive directors in addition to non-executive directors are subject to retirement by rotation at intervals of three years and may be re-elected at the AGM at which they retire. Newly appointed directors may hold office until the next AGM, where their appointments are required to be ratified and they will be required to retire and offer themselves for election. Retiring at the next AGM by rotation are CA Boles, RL Larson, TP Leeuw, GHM Watson, who, being eligible and available, will seek re-election as directors. The Remuneration and Nomination Committee has assessed each of the retiring directors and the Board unanimously recommend their re-election.

The Board confirms its support of their standing for re-election. There are no term contracts of service between any of the directors and Hulamin.

Board Succession Planning

A Board succession review process commenced in 2016 as part of a structured plan to appoint new non-executive directors.

A Board composition expert was appointed to assist the Board in mapping the skills and experience necessary to meet the needs of the stakeholders, shareholders, the Board and its committees. This process was completed by the end of March 2017, resulting in the appointment of TP Leeuw as Chairman of the Board following the resignation of ME Mkwanazi at the end of April 2018.

Nomination, Election and Appointment of Members

A formal and transparent process is in place for nomination, election and appointment of members to the Board. The nomination of candidates for election as members is recommended by the Remuneration and Nomination Committee for approval by the Board.

Matters such as member's performance and attendance at meetings is considered by the Board in nominating members for re-election. Candidates for election as non-executive directors provide confirmation that they have sufficient time available to fulfil the responsibilities of a member of the Board. Candidates' background and qualifications are independently verified prior to their nomination. A brief profile of the directors retiring and standing for re-election at the 2022 AGM is included in the AGM notice enclosed in the Integrated Annual Report.

All newly appointed directors receive a letter of appointment and follow an appropriate induction programme. Members of the Board are provided with relevant articles and presentations to enhance their level of professional development. All the directors that have served over nine years on the board have been individually assessed by the Nomination Committee. The Board is satisfied that Mr GHM Watson and Mr TP Leeuw remain independent.

Independence and Conflicts

Directors' responsibilities relative to conflicts of interest and the proactive monitoring thereof are dealt with in the Board Charter and directors' Code of Conduct. Directors' general disclosure of interest is considered at least annually by the Board, and whenever there are significant changes. Conflicts of interest are considered at Board and committee meetings. The requirements of, *inter alia*, King IV are considered in assessing the independence of non-executive directors on an annual basis.

In terms of the Board Charter, a non-executive director may continue to serve, in an independent capacity, for longer than nine years if, upon assessment by the Board conducted every year after nine years, it is concluded that the non-executive director exercises objective judgement and there is nothing when judged from the perspective of a reasonable and informed third party, that is likely to influence unduly or cause bias in decision-making. Mr M Gounder was appointed as the CFO on 1 April 2021, the Board has recommended that shareholders ratify his appointment as an Executive Director.

King IV application continued

3. Governing Structures and Delegation continued

3.2 Composition of the governing body continued

Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The independent classification of all Board members was considered by the Board.

Board Chairman

The appointment and performance of the Board chairman is reviewed annually. The Board resolved to appoint TP Leeuw as Board chairman with effect from the 2018 AGM and he continues to serve as chairman.

TP Leeuw confirmed he has adequate capacity and time to serve as chairman of the Board despite his outside positions and commitments.

Following an independent assessment review of TP Leeuw, the Board was not able to flag any matter of concern regarding the classification of TP Leeuw as an independent non-executive director considering the King IV guidelines and despite him serving on the Board of Hulam for more than nine years.

The Board further concluded that currently there was no need to appoint a lead independent non-executive director. If and when required, the Board may consider the appointment of a lead independent non-executive director.

Board and Board Committee attendance register

	Board		Audit		Risk		Remuneration and Nomination		Social, Ethics and Sustainability		Chairman's		Independent Board	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Independent non-executive directors														
TP Leeuw (Chairman)	8	8	4	1 [#]	2	2	6	6			5	5	6	6
CA Boles	8	8	4	4			6	6			5	5	6	6
RL Larson	8	7			2	2					5	4 [#]	6	6
N Maharajh	8	8	4	4	2	2					5	4	6	6
Dr B Mehlomakulu	8	8	4	4	2	2	6	1 [#]	3	3	5	5 [#]	6	6
GHM Watson	8	8			2	2	6	5			5	5	6	6
Non-executive directors														
VN Khumalo	8	6	4	4 [#]					3	3	5	5		
SP Ngwenya	8	8							3	3	5	4 [#]		
GC Zondi (Alternate)	8	0												
Executive directors														
RG Jacob (CEO)	8	8	4	4 [#]	2	2	6	6 [#]	3	3	5	5 [#]	6	6 [#]
LM Farquharson (Acting CFO) ¹	8	1	4	3 [#]							5	2 [#]		
M Gounder ²	8	8	4	4 [#]	2	2	6	3 [#]	3	2 [#]	5	3 [#]	6	6 [#]

A Indicates the number of meetings held during the year while the director was a member of the Board and/or Committee.

B Indicates the number of meetings attended during the year while the director was a member of the Board and/or Committee.

¹ M Farquharson appointed acting CFO for the period 1 November 2020 to 31 March 2021

² M Gounder was appointed CFO from 1 April 2021

[#] Attendance by invitation

King IV application continued

Board Committees

Group executive committees

3. Governing Structures and Delegation continued

3.3 Committees of the Board

Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of duties

The Board has mandated the following committees, an Audit Committee, a Risk Committee, a Remuneration and Nomination Committee, a Social, Ethics and Sustainability Committee, a Chairman's Committee, and an Independent Board Committee each with Board approved terms of reference, to support it in the execution of its governance responsibilities. This delegated responsibility, however, does not reduce the individual and collective responsibilities of Board members. These terms of reference are subject to an annual review and they include, *inter alia*, the composition of the committee, the overall role and responsibilities of the committee, delegated authority, the tenure of the committee, reporting requirements, procedures to access resources and information, meeting procedures and procedures to evaluate performance of the committee.

The Remuneration and Nomination Committee addresses the composition of Board Committees for approval by the Board so that it has the necessary knowledge, skills, experience and capacity to execute its duties effectively. Directors may attend committee meetings which they are not members of as an invitee, subject to the consent of the chairman of the committee. In such cases, they may not vote on any matter decided upon by the committee. There is full disclosure of matters handled by a committee to the Board.

Committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the group. The core responsibilities of the Board Committees and group Executive Committees are set out on pages 17 to 22 of this report.

The respective Board Committees are satisfied that they have fulfilled their responsibilities in accordance with their respective terms of reference in 2021.

3. Governing Structures and Delegation continued

3.4 Evaluation of the Performance of the Governing Body

Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in performance and effectiveness

A formal annual evaluation process of the Board collectively and of the directors individually, the chairman, the Board Committees, the CEO and of the company secretary is addressed. This typically involves the completion of evaluation questionnaires when performed internally, whilst when they are externally facilitated, one-on-one interviews are also held with the directors and the company secretary. External facilitated evaluations are typically done every three years. The Board is of the opinion that the evaluation process does uplift the performance and effectiveness of the Board and this is evident in the relative high scores achieved.

No major areas of concern were raised relative to the 2020 evaluation process considered by the Board in 2021. The 2021 Board evaluation will be conducted during 2022.

3.5 Appointment and Delegation to Management

Principle 10: The governing body should ensure that the appointment of and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities CEO appointment and role

The Remuneration and Nomination Committee recommends and the Board approves the appointment of the CEO and executives.

The Remuneration and Nomination Committee and the Board also ensures and reviews the succession plan for the CEO and executives on a periodic basis.

The roles and responsibilities of the CEO are detailed in the Board Charter.

The CEO's membership and professional commitments outside of Hulam are monitored by the chairman.

Delegation

The Board has approved an authorities framework which sets out the powers it reserves for itself and those delegated to management. The CEO is responsible for executing the Board approved strategy and business plans and ensuring that the authorities framework for delegation of authority to management is adhered to.

The Board is of the opinion that the authorities framework contributes to role clarity.

Company secretary

Mr W Fitchat retired as Company Secretary effective 30 April 2021. Ms M D S Ramoetlo was appointed as Company Secretary effective 1 May 2021.

King IV application continued

3. Governing Structures and Delegation continued

3.5 Appointment and Delegation to Management continued

The Board has considered and is satisfied that the company secretary is appropriately qualified, competent and experienced for her position in a listed company.

Hulamin's company secretary plays a pivotal role in the continuing effectiveness of the Board, ensuring that all directors have full and timely access to information that helps them to perform their duties and obligations, and enables the Board to function effectively.

The company secretary's key duties with regard to the directors include, but are not limited to, the following:

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

The company secretary is not a director of any of the group operations, nor is she related to or connected with any of the directors which could result in a conflict of interest and accordingly it is concluded that an arm's length relationship with the Board and its directors is maintained. The company secretary reports to the Chief Financial Officer and has a direct channel of communication to the Chief Executive Officer and to the Chairman. The removal, appointment and remuneration of the company secretary would be a matter for the Board as a whole as set out in the authorities framework.

4. Governance Functional Areas

4.1 Risk Governance

Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

The Board assumes overall responsibility for risk in the group. It has delegated the oversight of risk management to the Risk Committee. Refer to the Integrated Annual Report for more detail on the group's risk management approach and governance. The Risk Management Committee reports to the Risk Committee.

4.2 Technology and Information Governance

Principle 12: The governing body should govern technology and information in way that supports the organisation setting out achieving its strategic objectives

The Board has delegated the responsibility for oversight of technology and management to the Audit Committee. The Technology and Information Management Committee reports to the Audit Committee in this regard.

Systems, policies and procedures relative to information governance, the group's information technology security strategy, and a revised information technology strategy were key focus areas in 2021 relative to technology and information governance.

4.3 Compliance Governance

Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

Hulamin has complied with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act and has operated in conformity with Hulamin's Memorandum of Incorporation during the year under review.

In terms of the group compliance framework, compliance with all material financial laws and regulations applicable to the group is overseen and reported on by the Audit Committee (i.e. the financial regulatory universe), whilst the SESC oversees compliance governance relative to the labour regulatory universe. The Risk Committee assumes overarching responsibility for overseeing the group's compliance governance responsibilities and the legal regulatory universe (i.e. those laws and regulations not overseen by the Audit Committee and the SESC).

The Audit Committee reviews compliance with inter alia the provisions of the Companies Act and no material breaches of non-compliance thereof has been brought to their attention. Further, Hulamin operates in conformity with its memorandum of incorporation as approved by shareholders.

There is a comprehensive six-monthly report to the respective committees from the compliance officer, which role is currently fulfilled by the company secretary. The report is compiled based on information received from each responsible executive assigned to each high risk compliance obligation.

King IV application continued

4. Governance Functional Areas continued

4.3 Compliance Governance continued

Planned areas of future focus include addressing assurance on the effectiveness of the compliance governance framework.

The group did not have any material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations during the report period.

4.4 Remuneration Governance

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term

The full remuneration report, including the remuneration policy and implementation report are set out in the Integrated Annual Report.

4.5 Combined Assurance

Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisations external reports

The Board is ultimately responsible for the assurance provided in the group. Management holds ultimate responsibility for the management of risks and internal controls. The Board delegates oversight over the effectiveness of the group's internal controls, risk management processes and integrity of information to the Audit Committee. Assurance is provided over the information reported both internally and externally by management, specialist function, internal audit, external auditors and other third-party assurance providers. To this end, the Audit Committee adopted an effective combined assurance framework, which has matured over the years in the optimisation of the assurance provided. A combined assurance map is used to map and report on the risk legislation, key operational and financial risks identified through the integrated group-wide risk management process.

Oversight of the assurance provided and the opinion on the internal control environment vest with the Audit Committee.

Group Internal Audit

Internal audit's mission is to enhance and protect organisational value through providing independent and objective risk-based requisite assurance, advice and insight. In so doing, internal audit assists the Board, through the Audit Committee, and management at all levels within the group, in the effective discharge of their responsibilities by reviewing the risk management, internal controls, and governance processes. Internal audit maintains dual reporting in the group structure, administrative reporting line to the CFO and a direct reporting line to the chairman of the Audit Committee where matters relating to internal audit are discussed directly and approved.

5. Stakeholder Relationships

5.1 Stakeholder Relationships

Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time

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

Hulamin communicates its strategy, performance and vision through regular presentations to investors, analysts, employees and other stakeholders. In addition, management regularly meets with investors and institutional stakeholders on a one-on-one basis. The Hulamin website (www.hulamin.co.za) is also used for this purpose. Hulamin invites all shareholders to attend its annual general meeting (AGM) and also facilitates participation by way of focused proxy solicitation. The results of the 2021 AGM are published on the Stock Exchange News Service and the minutes of AGMs on Hulamin's website. All directors and the designated partner of the external audit firm typically attend the AGM. An overview of Hulamin's stakeholders and their material matters is provided in the Integrated Annual Report and is also dealt with in the separate Sustainability Report which can be viewed on Hulamin's website.

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

5.2 Relationships within a group of companies

Hulamin Limited is an investment holding company with its single investment comprising Hulamin Operations Proprietary Limited. The group authorities framework, policies, processes or procedures approved by the Hulamin Board and committees thereof, as well as executive management relate to the group as a whole.

Executive directors who participate in the approval of group policies, processes and procedures are also directors of group subsidiary companies.

Corporate governance

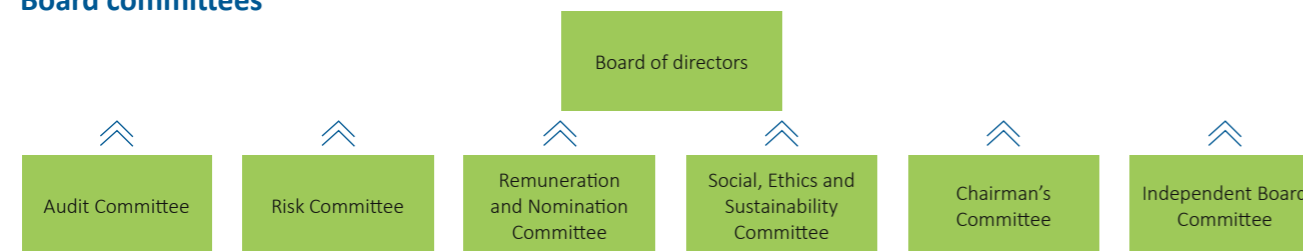
Governing structure and delegation

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

The board has delegated, through formal terms of reference, specific matters to a number of committees whose members and Chairpersons are appointed by the Board. There is full disclosure of matters handled by the committees to the Board.

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

Board committees



Group executive committees



In driving the strategy, the Executive Committee's overarching trade-off has been against the objective of generating free cash flow. Below is further context to the considerations the Executive Committee had to make during the 2021 financial-year.

Leadership roles and functions

The board is led by an independent non-executive chairman. The role of the chairman is distinct and separate from that of the Chief Executive Officer and the separation of responsibilities is designed to ensure that no single person has unfettered decision-making powers and that an appropriate balance of power and authority exists on the board. The Hulamin group board provides strategic leadership to the group with due regard to all stakeholders.

The Executive Committee is responsible for delivering the strategic objectives set by the board of directors. The group executive committee is an experienced management team that comprises the Chief Executive Officer, the Chief Financial Officer and other suitably qualified and experienced members of senior management. The Executive Committee strives to allocate capital and resources in the best way possible to create sustained value for all stakeholders. Given the constrained and interconnected nature of the capitals we rely on, we must make tough choices about where to allocate our resources to generate sustained value.

Corporate governance report continued

Overview

Hulamin's overarching governance objective is to ensure that an adequate and effective process of corporate governance is established and maintained, one that is consistent with the nature, size, complexity and risk inherent to the Group and that responds to changes in the Group's operating environment and conditions. This objective includes ensuring the Group complies with all relevant legislation and best practice guidelines deemed appropriate for the Group's effective functioning.

The Board recognises that corporate governance practices must be appropriate and implement the highest standards of corporate governance across all operations. It understands and values long-term and ethical client relationships and has well-established governance processes for ensuring a balance between achieving business growth and meeting the reasonable expectations of stakeholders.

Hulamin subscribes to a holistic approach to corporate governance and the mindful application of the:

- JSE Listings Requirements;
- memorandum of incorporation; and
- Companies Act No. 7 of 2008 (as amended) (the Act).

The Board confirms that the group complied with the provisions of the Act, JSE Listing Requirements and is operating in conformity with the requirements of the memorandum of incorporation.

The Hulamin Board

The board serves as the focal point and custodian of corporate governance in the Group. The Board's role includes amongst others: steering and setting the group's strategic direction; demonstrating accountability and transparency through disclosures; giving effect to strategy by approving policy (including plans, frameworks, structures, and procedures) and providing oversight on strategy implementation. The Board retains full and effective control of the group and is supported by senior management and the strategic executive committee, which is the custodian of the Group's strategy, to discharge its fiduciary duties and governance role and responsibilities objectively and effectively, in a manner that is consistent with the interests of all stakeholders invested in the success of the Group. The Board believes that its current size and composition, given the mix of knowledge, skill, experience, diversity, and independence, are suitable to enable it to meet the Group's strategic objectives.

Board appointment process and diversity

There is a clear policy in place detailing procedures for nominations, elections and appointments to the Board to determine an optimally diverse board with the required skill set. Such appointments are formal and transparent, and a matter for the Board, assisted by Hulamin's Remuneration and Nominations Committee. Prior to the appointment of a new director, the Nominations Committee is responsible for making recommendations to the directors' affairs and governance committee as to the candidate's suitability.

The Nominations Committee acknowledges the requirements of the directive and is committed to ensuring that these requirements are achieved and duly considered whenever there is a change to the composition of the board. The Board recognises the benefits of board diversity and has a policy to promote broader diversity, as contained in its charter. All facets of diversity such as age, nationality, culture, race, gender, independence, industry knowledge, skills and expertise are considered when determining optimal board composition. Directors are appointed through a formal and transparent process.

The Nominations committee considers these broader diversity needs when proposing suitable candidates for Board election. This is in addition to considering the Board's effectiveness, together with the balance between non-executive and executive Directors and the need for majority independent non-executive Directors. The Board is committed to increasing its female diversity to introduce broader diversity at Board level.

Succession plan

The composition and succession planning of the Board is reviewed regularly and remedial actions are undertaken where necessary. Hulamin benefits from an extensive pool of people with diverse experience and competence.

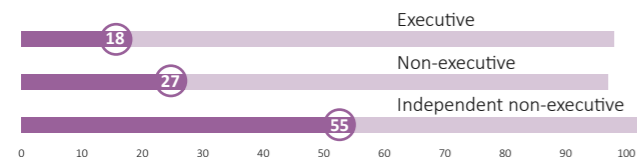
Retirement and rotation of directors

The directors for retirement at the upcoming AGM are:

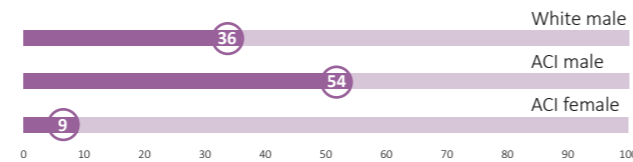
T P Leeuw
G H M Watson
R L Larson
C A Boles

Corporate governance report continued

Balance of power (%)

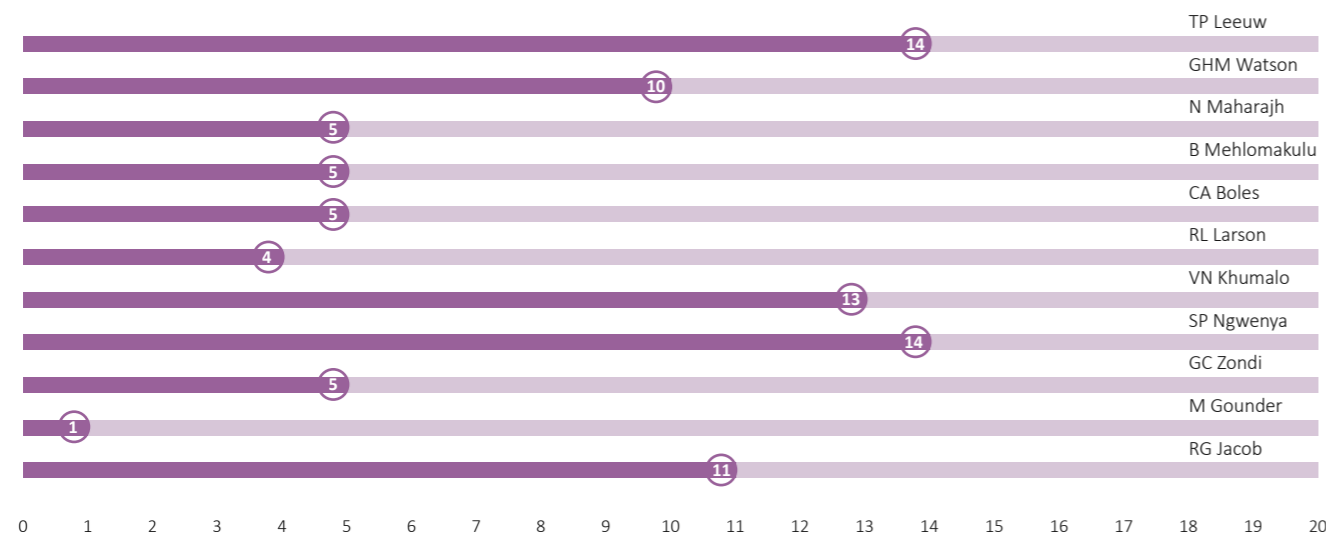


Board demographics (%)

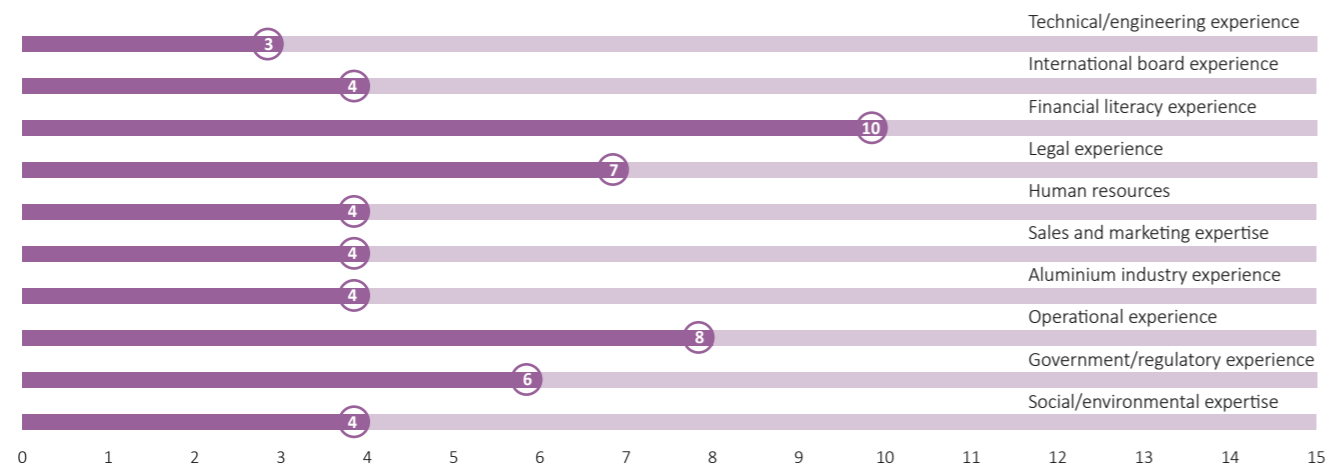


ACI: African, Coloured and Indian

Board tenure (years)



Board skills composition



Corporate governance report continued

Independence

The Board is guided by the criteria set out in King IV to assess the independence of directors and to ensure that no director wields unfettered power over the Board, or is likely to influence unduly or cause bias in decision-making when judged from the perspective of a reasonable and informed outside party. The Board is satisfied that all Directors, whether classified as executive, non-executive or independent non-executive, act independently, free of undue influence, and in the best interest of the Group.

The roles of the Chairman and Chief Executive Officer are clearly defined in the Board charter, demonstrating a clear balance of power and authority at board level to ensure that no one director has unfettered powers of decision-making.

Induction and ongoing Board development programme

The Directors are accountable and responsible for all actions of Board committees. This is emphasised during the induction training provided to new directors. Other ongoing training and education courses allow Directors to familiarise themselves with Hulam's operations, its business environment, fiduciary duties and responsibilities, and the Board's expectations in respect of a director's commitment, ethical behaviour and keeping abreast of regulatory changes and trends. Directors have full and unrestricted access to management, group information and property. They are entitled to seek independent professional advice in support of their duties at the Group's expense.

Annual assessment

During the year an internal self-evaluation was conducted which measured the Board's performance and effectiveness, as well as that of the individual members and the company secretary. The Board reviewed the evaluation and identified no material concerns in respect of the areas assessed, hence no remedial actions were required.

The Board is satisfied that the independent non-executive directors who have served continuously for nine years or more are able to act independently in decision-making in the best interests of the Group. A key consideration when selecting directors is the Group's competency framework. The Board is satisfied that the evaluation process continues to improve its performance and effectiveness.

Delegation of authority

Delegation of authority to management is clearly defined to ensure effective exercise of authority and responsibilities. The Board reviewed and approved a revised Delegation of Authority Framework during FY2021, which details the powers delegated to each Board committee and clearly indicates the matters reserved for consideration by the Board and the Group Chief Executive. The Board determines the level of materiality of matters for its sole decision.

Other matters are delegated to the Group Chief Executive, Board committees and the Executive Committee. The delegations are reviewed on an annual basis. The Board is satisfied that the Delegation of Authority Framework allows for the effective discharge of its responsibilities and ensures that no individual has unrestricted decision-making power.

Conflicts of interest

In line with best practice and regulatory provisions, policies and procedures have been implemented to manage the trading of shares. Directors are prohibited from dealing directly or indirectly in shares during closed periods. In addition, Directors are required to disclose if they have a direct or indirect interest in any matter for consideration by the Board. The disclosure is recorded in a register by the Company Secretary. Board members are required to declare any conflicts of interest and recuse themselves from any such discussions during Board or committee meetings.

Remuneration

The Group reviews its remuneration philosophy annually to ensure that its employees and the Board are remunerated fairly, responsibly and transparently. Furthermore, the Board, assisted by the Remuneration and Nomination Committee, ensures that all Directors, Executives and employees are remunerated fairly and responsibly in line with industry standards, with relevant approvals tabled for shareholder consideration. The remuneration philosophy is aligned with Hulam's objectives and linked to individual performance through appropriate objectives that are reviewed by the Remuneration Committee.

Separation of roles and responsibilities

The role of the Chairperson of the Board and the Group Chief Executive are independent and not held by the same person, as clearly defined in the Board Charter, to ensure that no individual has unrestricted decision-making power.

Roles and responsibilities

Board chairman

Mr TP Leeuw is the independent non-executive chairman of the Board. He has extensive experience in the following areas: finance, legal, operational, governmental/regulatory knowledge.

The responsibilities of the chair include among others:

- Providing overall leadership to the Board without limiting the principle of collective responsibility or Board decisions, while at the same time being aware of individual duties of Board members.
- Acting as facilitator at board meetings to ensure a sound flow of opinions. The chair ensures that adequate time is scheduled for discussions and that they lead to logical and acceptable conclusions.
- Ensuring a balanced composition and proper functioning of the board and its committees.
- Ensuring a culture of openness and accountability within the board.
- Assisted by the Board, its committees and the boards and committees of the company's subsidiary companies, ensuring the integrity and effectiveness of the governance process.
- Maintaining regular dialogue with the Group's chief executive on operational matters and consulting on an ongoing basis with other board members on any matter of concern to him/her, including managing conflicts of interests.
- In consultation with the Group's chief executive and company secretary, ensuring appropriate content and order of the agendas of board meetings and ensuring that members of the Board receive documentation promptly.

Corporate governance report continued

Board's role

1

Steering and setting Group's direction

2

Demonstrating accountability and transparency through disclosures

3

Giving effect to strategy by approving policy (including plans, frameworks, structures, and procedures)

4

Providing oversight on strategy implementation

Chief Executive Officer

Chief executive officer Richard Jacob was appointed CEO by the Board on 1 July 2010 and is responsible for leading the implementation and execution of approved strategy, policies and operational planning. The CEO leads and directs the executive management and serves as the link between management and the Board. The CEO is accountable to the board for, amongst other things: developing and recommending the Group's short-, medium- and long-term strategies; managing the strategies, Group performance and vision, and ensuring the achievement of its performance targets; ensuring that the Group has an effective management team and management structures; ensuring that appropriate policies are formulated and implemented; and ensuring that effective governance measures are deployed. The CEO does not have any work commitments outside of the Group and its related companies. A succession plan for the CEO is in place and is reviewed periodically.

Company secretary

The company secretary plays a crucial role in Hulamín's corporate governance. The company secretary is responsible to the board for acting as a central source of information and advice to the board on its duties and responsibilities, adherence to good corporate governance principles, and compliance with procedures and applicable statutes and regulations.

Willem Fitchat served as Company Secretary until his retirement on 30 April 2021. Ms Moyahabo Dikeledi Sharon Ramoetlo was appointed with effect from 1 May 2021. Directors have unlimited access to the advice and services of the company secretary. She plays a pivotal role in the company's corporate governance and ensures that, in accordance with the pertinent laws, the proceedings and affairs of the Board, the company itself and, where appropriate, shareholders are properly administered. She is also the company's compliance officer as defined in the Companies Act and delegated information officer. The company secretary monitors directors' dealings in securities and ensures adherence to closed periods. She attends all board and committee meetings. As required by JSE Listings Requirement 3.84(i), the board has determined that the company secretary, who is a chartered company secretary with more than 13 years' company secretarial experience, has the requisite competence, knowledge, and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the Board.

Risk governance

The Board assumes overall responsibility for risk in the Group. It has delegated the oversight of risk management to the Risk Committee. Refer to the Integrated Annual Report for more detail on the Group's risk management approach and governance. The Risk Management Committee reports to the Risk Committee.

Technology and information governance

The Board has delegated the responsibility for oversight of information technology and information management to the Audit Committee. The Technology and Information Management Committee reports to the Audit Committee in this regard.

Systems, policies and procedures relative to information governance, the Group's information technology security strategy, and a revised information technology strategy were key focus areas in 2021 relative to technology and information governance.

Compliance governance

Hulamín has complied with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act and has operated in conformity with Hulamín's Memorandum of Incorporation during the year under review.

In terms of the Group compliance framework, compliance with all material financial laws and regulations applicable to the Group is overseen and reported on by the Audit Committee (i.e. the financial regulatory universe), whilst the SESC oversees compliance governance relative to the labour regulatory universe. The Risk Committee assumes overarching responsibility for overseeing the Group's compliance governance responsibilities and the legal regulatory universe (i.e. those laws and regulations not overseen by the Audit Committee and the SESC).

The Audit Committee reviews compliance with *inter alia* the provisions of the Companies Act and no material breaches of non-compliance thereof has been brought to their attention. Further, Hulamín operates in conformity with its memorandum of incorporation as approved by shareholders.

There is a comprehensive six-monthly report to the respective committees from the compliance officer, which role is currently fulfilled by the company secretary. The report is compiled based on information received from each responsible executive assigned to each high risk compliance obligation.

Corporate governance report continued

Planned areas of future focus include addressing assurance on the effectiveness of the compliance governance framework.

The Group did not have any material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations during the report period.

Combined assurance

The Board is ultimately responsible for the assurance provided in the group. Management holds ultimate responsibility for the management of risks and internal controls. The Board delegates oversight over the effectiveness of the Group's internal controls, risk management processes and integrity of information to the Audit Committee. Assurance is provided over the information reported both internally and externally by management, specialist function, internal audit, external auditors and other third-party assurance providers. To this end, the Audit Committee adopted an effective combined assurance framework, which has matured over the years in the optimisation of the assurance provided.

A combined assurance map is used to map and report on the risk legislation, key operational and financial risks identified through the integrated group-wide risk management process. Oversight of the assurance provided and the opinion on the internal control environment vest with the Audit Committee.

Group internal audit

Internal audit's mission is to enhance and protect organisational value through providing independent and objective risk-based requisite assurance, advice and insight. In so doing, internal audit assists the Board, through the Audit Committee, and management at all levels within the group, in the effective discharge of their responsibilities by reviewing the risk management, internal controls, and governance processes. Internal audit maintains dual reporting in the group structure, administrative reporting line to the CFO and a direct reporting line to the chairman of the Audit Committee where matters relating to internal audit are discussed directly and approved.

Stakeholder relationships

Management has developed a strategy and formulated policies for the management of relationships with each stakeholder grouping, and an integrated approach to stakeholder management within Hulamín is adopted to strive for consistency and balance in treatment across stakeholder categories.

Hulamín communicates its strategy, performance and vision through regular presentations to investors, analysts, employees and other stakeholders. In addition, management regularly meets with investors and institutional stakeholders on a one-on-one basis. The Hulamín website (www.hulamin.co.za) is also used for this purpose. Hulamín invites all shareholders to attend its annual general meeting (AGM) and also facilitates participation by way of focused proxy solicitation.

The results of the 2021 AGM are published on the Stock Exchange News Service and the minutes of AGMs on Hulamín's website. All directors and the designated partner of the external audit firm typically attend the AGM. An overview of Hulamín's stakeholders and their material matters is provided in the Integrated Annual Report and is also dealt with in the separate Sustainability Report which can be viewed on Hulamín's website.

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

Responsible and transparent approach to tax

Hulamín is committed to complying with all statutory tax obligations of the regions in which we operate. Our Board, together with the Audit Committee, oversees the Group's tax practices and affairs. While the responsibility for the Group's tax strategy lies with the Board, day-to-day responsibility is delegated to the respective CFO and finance teams of the various business areas, who are supported by the Group Tax function. Our focus also extends beyond basic compliance to ensure that our approach to tax management creates value for our stakeholder groups.

We understand that tax is a material consideration for our stakeholder groups. Accordingly, Hulamín is committed to responsibly arranging its tax affairs and structuring commercial activities to sustainably maximise value for shareholders and other stakeholders. As part of this, we ensure we file accurate, timely tax returns and settle any tax obligations in the correct period.

Hulamín's approach to applying King IV and statement by the Board

This required, in terms of the JSE Listings Requirements, for the board to report its application of the principles of King IV. In line with the overriding principle in King IV of 'apply and explain', the board is of the view that the group has satisfactorily applied the principles of King IV. For a more detailed review of Hulamín's application of King IV, refer to the King IV application report 2021. All board and board committee charters and policies are aligned with the South African Companies Act, 2008 (Companies Act) requirements and the principles in King IV and the requirements of the JSE Listings Requirements. King IV advocates a qualitative approach to implementing recommended practices to realise the intended governance outcomes.

In line with King IV recommendations, we consider proportionality when we apply corporate governance in the Group. This means we apply the necessary practices required to demonstrate the Group's governance in terms of King IV as appropriate across the Group.

Corporate governance report continued

Key Focus Areas for the Board in FY21

Strategy	<p>➤ Review the group's business plan, strategic plan, and budget. Please refer to pages 34 to 35 of the Integrated report for more information.</p>
Financial performance	<p>➤ Review the group's performance and results. Please refer to pages 73-161 of the Integrated report for more information.</p>
Covid-19	<p>➤ Continue to review the work done to protect employees and other stakeholders and manage potential impacts for the business. Reviewing the impact of Covid-19 on Hulamín's operations. Please refer to pages 70 to 71 of the Sustainability report for more information</p>
Governance and sustainability	<p>➤ Continued to apply King IV practices. Execution of the board-approved group sustainability plan, reflecting our focus on specific sustainability goals. Please refer to page 1 for more information.</p>

Corporate governance report continued

The Board and committees

Board meetings and attendance

The Board meets at least four times per year, or more as required. The Board held nine meetings in the past financial year. Non-executive directors meet at least once annually without the chief executive, financial director and chair present, to discuss the performance of these individuals. The company secretary acts as secretary to the board and its committees and attends all meetings. Each committee acts within agreed, written terms of reference. The chair of each committee reports at each scheduled board meeting. The chairs of the social, ethics and sustainability, human resources and remuneration, and nomination committees are non-executive directors and are required to attend annual general meetings to answer questions. The Board committees in operation during the financial year are set out alongside and the names of the members who were in office during the financial year, as well as details of the committee meetings attended by each of the members, are shown in the table on page 6 of this report.

Audit committee

The audit committee seeks to support the board in assessing the integrity of the Group's financial reporting and by providing constructive challenge and oversight of the Group's activities and of its audit functions. It comprises a majority independent non-executive directors and is chaired by Naran Maharajh.

Chairmen's Committee

The audit committee seeks to support the board in assessing the integrity of the group's financial reporting and by providing constructive challenge and oversight of the group's activities and of its audit functions. It comprises a majority independent non-executive directors and is chaired by the Board Chairman. The objective of this committee is to serve as the Company's projects committee and any other directors' affairs type of matters.

Remuneration and Nomination Committee

The Committee serves a dual purpose with the following main objectives:

- fulfil the board's responsibility for the strategic human resources issues of the group, particularly focusing on the appointment, remuneration and succession of the most senior executives. The committee comprises a minimum of three non-executive directors
- assists the board to determine, and regularly review, the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy.

The committee comprises a minimum of three non-executive directors, the majority of whom are independent.

Risk Committee

The purpose of the risk committee is to assist the board to discharge its responsibilities regarding the governance of risk through formal processes, including an enterprise-wide risk management process and system. The committee comprises a minimum of three independent non-executive directors, as well as the chief executive and financial director.

Social, ethics and sustainability committee

The primary objective of the social, ethics and sustainability committee is to assist the board in ensuring the company meets its statutory obligations in terms of section 72 and regulation 43 of the Companies Act. The committee is responsible for overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships in relation to the group, taking into account specific disclosures and best practice as recommended by King IV.

Audit Committee

Core responsibilities

The responsibilities of the committee and details of the execution of the duties of the committee during the year under review are set out in the Report of the Audit Committee, incorporated in the Integrated Annual Report.

Key areas of focus during the reporting period include the consideration of interim and annual financial statements and the nomination of an external auditor for appointment at the AGM.

A key area of future focus will be to manage the transition in the change of external auditors and the restructure of the internal audit function.

Chairman

N Maharajh (independent non-executive)

Composition

Independent non-executive directors

CA Boles
Dr B Mehloakulu

Note: the members were re-elected at the annual general meeting held in May 2021.

Non-executive director

VN Khumalo (invitee)

Invitees

L Farquharson
RG Jacob
M Gounder
K Peddie

Representatives of internal and external auditors

K Mdtshane

Frequency of scheduled meetings

Four meetings per annum

Secretary

MDS Ramoetlo (Company Secretary)

Corporate governance report continued

Risk Committee

Core responsibilities

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

- Overseeing and monitoring the development and implementation of a risk management framework, policy, strategy and plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within Hulamín.
- Recommend levels of tolerance and appetite for risk to the Board.
- Report to the Board information relevant to risk management and procure independent assurance regarding the effectiveness of the risk management process.

Key areas of focus during the reporting period include actions to progress risk-based thinking at all levels of the business, to progress risk culture change management process, to review and progress strategic risks and to introduce operational/process risk management.

Key areas of future focus include progressing the integration of risk-based thinking via strategic risk scenarios, the embedding of a risk culture within the organisation and the automation of risk administration via the BarnOwl system.

Chairman

GHM Watson (independent non-executive)

Composition

Independent non-executive directors

RL Larson
TP Leeuw
N Maharajh
Dr B Mehlomakulu

Executive directors

RG Jacob
M Gounder
L Farquharson

Invitees

BA Mngadi
C Fisher
R Green-Thompson
Z Gumede
S Vally
MA Janneker
G de Wet

Frequency of scheduled meetings

Two meetings per annum

Secretary

MDS Ramoetlo (Company Secretary)

Remuneration and Nomination Committee

Core responsibilities

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

The Remuneration and Nomination Committee's key responsibilities are:

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

The chairman of the Board serves as chairman of the committee for nomination matters.

Key areas of focus during the report period include approval of short-term and long-term incentives, key performance measures of the CEO and the executives, and salary increases.

For further information on activities during the reporting period and key areas of future focus, refer to the Remuneration Report, incorporated in the Integrated Annual Report.

Chairman

CA Boles (independent non-executive)

Composition

Independent non-executive directors

GHM Watson
TP Leeuw (Chairman of Nomination agenda items)

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

Invitees

RG Jacob
MA Janneker

Frequency of scheduled meetings

Six meetings per annum

Secretary

MDS Ramoetlo (Company Secretary)

Corporate governance report continued

Social, Ethics and Sustainability Committee

Core responsibilities

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

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

- Recommend to the Board the strategies and policies to be adopted to ensure the group's transformation, social and ethics targets are achieved.
- Align the group's transformation, social and ethics strategy with its overall business strategy.
- Monitor the implementation and efficacy of the employment equity, black management development, black equity ownership, preferential procurement, skills and enterprise development and socio-economic initiatives of the group.
- Monitor activities relevant to social and economic development, good corporate citizenship, environment, health and safety and consumer relationships.
- Review policies and statements on ethical standards, the code of conduct for suppliers and service providers and on whistleblowing.
- Oversee and monitor the implementation of safety, health and environment policies, strategies, targets, plans and systems and review the safety, health and environment risk profile.
- Risk oversight

The committee is an integral component of the risk management process and specifically the committee shall oversee the risk management, activities relative to:

- B-BBEE, Social and economic development, Good corporate citizenship, Environment, health and public safety, Consumer Relationships, Labour and employment, Ethics Stakeholders (Reputation Risk), Supply chain management, Sustainability Report to the Chairman of Risk Committee on the above risks in the format agreed and approved by the board.
- Key areas of focus of the committee during the reporting period are set out in Annexure A of the AGM notice, incorporated in the Integrated Annual Report.

Key areas of future focus will be to monitor the implementation of the transformation plan.

Chairman

VN Khumalo (non-executive director)

Composition

Independent non-executive director

Dr B Mehlomakulu

Non-executive director

SP Ngwenya

Executive director

RG Jacob
M Gounder

Frequency of scheduled meetings

Three meetings per annum

Secretary

MDS (Company Secretary)

Invitees

BA Mngadi
C Fisher
H de Villiers
G de Wet
MA Janneker
S Vally
Z Gumede
R Green Thompson

Corporate governance report continued

The Group has a number of executive committees consisting of executive directors and other senior executives, with formal terms of reference:

- Executive
- Broad-based black economic empowerment (B-BBEE)
- Risk management
- Technology and Information (TI) management
- Safety, health and environment

Executive Committee

Core responsibilities

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

The Executive Committee's key responsibilities are:

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

Key areas of focus during the reporting period include revised performance reporting dashboards and the reporting on key strategic projects.

Key areas of future focus include the execution of the business plan and strategic plan approved by the Board.

Chairman

RG Jacob

Composition

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

Current members

MA Janneker
BA Mngadi
C Fisher
M Gounder

Invitee

S Vally
ZD Gumede
M Aldworth

Frequency of scheduled meetings

11 meetings per annum

Secretary

MDS Ramoetlo (Company Secretary)

Corporate governance report continued

Broad-based Black Economic Empowerment (B-BBEE) Committee

Core responsibilities

The Hulamini B-BBEE Committee reports to the Social, Ethics and Sustainability Committee on the five elements of the B-BBEE scorecard, which are:

- Ownership;
- Management control;
- Skills development;
- Enterprise and supplier development; and
- Socio-economic development.

The B-BBEE Committee's key responsibilities are:

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

During the reporting period, critical areas of focus include oversight of initiatives to improve B-BBEE scorecard rating, actions to achieve employment equity targets, and address strategic empowerment projects.

The above remains a critical area of future focus.

Chairman

RG Jacob

Composition

MA Janneker	BA Mngadi	M Gounder
R Green-Thompson	ZD Gumede	M Aldworth
C Fisher	G de Wet	K Deere
S Vally	L Farquharson	

Frequency of scheduled meetings

Four meetings per annum

Secretary

L Sililo (Human Resource Operations Manager)

Risk Management Committee

Core responsibilities

While the Board is ultimately accountable for risk management through the Risk Committee, the implementation of the Group's risk management policies and systems of internal control is an integral part of management of the Group's operations.

The Risk Management Committee's key responsibilities are:

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

Key areas of focus during the reporting period include the embedding of risk-based thinking at all levels of the business, monitoring of the risk change management plan, the introduction of operational and process risk management, and the review and progress monitoring of strategic risks.

The above remains key areas of future focus.

Chairman

RG Jacob

Composition

R Green-Thompson
ZD Gumede
C Fisher
MA Janneker
G de Wet
K Mdtshane
BA Mngadi
L Farquharson
M Gounder
M Aldworth

Frequency of scheduled meetings

Three meetings per annum

Secretary

D Jaglal (Secretarial Assistant)

Technology and Information (TI) Management Committee

Core responsibilities

The TI Management Committee's key responsibilities are:

- Ensure that a TI governance charter and policies are established and implemented.
- Promote an ethical TI governance and management culture.
- Provide leadership and direction to ensure that the TI function achieves, sustains and enhances the company's strategic objectives.
- Ensure that a TI governance framework is adopted and implemented and that the Board, via the Audit Committee, receives independent assurance on the effectiveness thereof.
- Ensure that the TI strategy is integrated within the company's strategic and business processes.
- Ensure there is a robust process in place to identify and exploit appropriate opportunities to improve the performance and sustainability of the company.
- Oversee management who is responsible for the implementation of all the structures, processes and mechanisms to execute the TI governance framework.
- Ensure the company obtains independent assurance on the governance of TI, and that adequate controls are in place for outsourcing TI services.
- Ensure TI legal risks are addressed.
- Ensure that there are systems in place for the management of information assets.
- Ensure that the information security strategy is successfully implemented.
- Ensure operational stability, systems development, support and enhancements.
- Improving network capacity.
- Ensure that there are systems in place for personal information to be treated by the company as an important business asset and that all personal information that is processed by the company is identified.
- Ensure appropriate reporting to the Executive Committee and to Board Committees.

Key areas of focus during the reporting period include an overview of the arrangements for governing and managing Technology and Information including Strategy and Digital Transformation.

The above remains key areas of future focus.

Chairman

RG Jacob

Composition

S Vally
C Fisher
H de Villiers
D Seager
M Groenewald
J Crafford
R Mabunda
L Steenkamp
C Jacobs
L Farquharson

Frequency of scheduled meetings

Six meetings per annum

Secretary

S Vally (General Manager: Technology & Information)

Safety, Health and Environment Committee

Core responsibilities

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

- Review SHE performance.
- Review major SHE risks.
- Monitor actions to reduce SHE-related risks
- Identify new or emerging risks related to SHE.
- Review of the internal controls to manage SHE risks.
- Review SHE policies
- Review legal updates and the consequences thereof
- Review sustainability performance in line with the strategy
- Report to the Social, Ethics and Sustainability Committee

Chairman

R Green-Thompson

Composition

H de Villiers
J White
M Gounder
C Fisher
M Maku
P Crafford
RG Jacob
P Grobler
P Xaba
M Aldworth
BA Mngadi
MA Janneker
L Buthelezi
C Jacobs
Z Gumede

Frequency of scheduled meetings

Three meetings per annum

Secretary

D Jackson (Chemist and Environmental Specialist)