

HULAMIN LIMITED

(Registration Number 1940/013924/06)

("the Company")

**MINUTES OF ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD VIA MICROSOFT TEAMS
ON THURSDAY, 30 JULY 2020 AT 15H00**

A. ATTENDANCE

PRESENT:	- TP Leeuw (Chairman) (on behalf of various shareholders, including Hulamin 2015 Employee Share Ownership Trust)	- representing	31 477 333 (A Ordinary)	shares
	- RG Jacob (Chief Executive Officer) (on behalf of Fusion Nominees (Pty) Ltd)	- representing	928 432	shares
	- W Fitchat (on behalf of Stockshare Nominees (Pty) Ltd)	- representing	75 582	shares
	- V Schutte (on behalf of Gardenview Nominees (Pty) Ltd)	- representing	124 000	shares
	- L Chonco (on behalf of First World Trader Nominees (Pty) Ltd)	- representing	1 101	shares
	- V Schutte (on behalf of Standard Bank Nominees (RF) (Pty) Ltd)	- representing	250 000	shares
	- D Lavender (on behalf of Standard Bank Nominees (RF) (Pty) Ltd)	- representing	50 000	shares
	- C Logan (on behalf of Standard Bank Nominees (RF) (Pty) Ltd)	- representing	90 392	shares
	- C Schutte (on behalf of Standard Bank Nominees (RF) (Pty) Ltd)	- representing	750	shares
	- S P Ngwenya (on behalf of Imbewu SPV 14 (Pty) Limited)	- representing	37 592 257 (B Ordinary)	shares

DIRECTORS: VN Khumalo
AP Krull
RL Larson
N Maharajh
NNA Matyumza
Dr B Mehlomakulu
CA Boles
GH Watson

APOLOGIES: None

IN ATTENDANCE: W Louw - Computershare Investor Services

D Attwell	- Computershare Investor Services
J Padoa	- Cox Yeats
S Sithebe	- Ernst & Young
A Shkudsky	- Personal capacity
I Mutooni	- Industrial Development Corporation
M Husenfuss	- Financial Mail
J Herbst	Capital Voice
G Bruce	Questco
K Rakhudu	Questco
B A Mngadi	Hulamin
N Kanyile	Hulamin
D Jaglal	Hulamin

- B. QUORUM** The Chairman welcomed all members and invitees to the 80th annual general meeting of Hulamin and the first meeting held entirely via an electronic platform due to the Covid-19 pandemic, which option was available to Hulamin in terms of the Companies Act read with the Memorandum of Incorporation. Members who have elected to vote at the meeting were requested to email their voting paper to Computershare who were acting as scrutineers at the following email address proxy@computershare.co.za, once all the resolutions as set out in the annual general meeting notice were considered. With the necessary quorum being present, the Chairman declared the meeting duly constituted.
- C. NOTICE OF MEETING** The notice convening the meeting, which had been timeously circulated to members, was taken as read.
- D. VOTING** In accordance with good governance practice voting of all resolutions would take place on the basis of a poll. A representative of Computershare Investor Services was appointed as scrutineer.
- E. ADOPTION OF ANNUAL FINANCIAL STATEMENTS** The annual financial statements for the financial year ended 31 December 2019 as detailed in the annual general meeting notice (including reports of the directors, the independent auditors and the Audit Committee) were distributed to shareholders.
- F. RESOLUTIONS**
- 1. APPOINTMENT OF AUDITORS** **ORDINARY RESOLUTION NUMBER 1:**
- The Chairman called for a proposer to the ordinary resolution, as set out in the notice of the annual general meeting, regarding the appointment of Ernst & Young as the independent auditors, together with Mr S Sithebe as the designated auditor. The motion was proposed, seconded and declared open for discussion.
- There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.
- 2. RE-ELECTION OF DIRECTOR** **ORDINARY RESOLUTION NUMBER 2.1**
- The Chairman called for a proposer to the ordinary resolution, as set out in the notice of the annual general meeting, regarding the re-election of AP Krull as a director of the company. The motion was proposed, seconded and declared open for discussion.
1. Mr C Logan noted that the resignation of Mr Krull had been announced on SENS on 29 July 2020 and requested a reason for the untimely resignation from the Board.

2. The Chairman advised that Mr Krull had agreed to an extended resignation period in order to fulfil certain financial reporting obligations and ensure an effective handover of his responsibilities.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

**RE-ELECTION OF
DIRECTOR**

ORDINARY RESOLUTION NUMBER 2.2

The Chairman called for a proposer to the ordinary resolution, as set out in the notice of the annual general meeting, regarding the re-election of RL Larson as a director of the company. The motion was proposed, seconded and declared open for discussion.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

**RE-ELECTION OF
DIRECTOR**

ORDINARY RESOLUTION NUMBER 2.3

The Chairman called for a proposer to the ordinary resolution, as set out in the notice of the annual general meeting, regarding the re-election of B Mehlomakulu as a director of the company. The motion was proposed, seconded and declared open for discussion.

1. With reference to ordinary resolution 2.2 and 2.3, Mr C Logan queried the role played by the two directors in the implementation of remedial action to address the Company's underperformance over a period of time.
2. The Chairman described the procedural steps pertaining to the proposed re-elections as well as the external and internal board evaluation cycles. As a result, the Board was comfortable with the performance of all the current directors.
3. It was suggested by Mr Logan that a formal strategic review by an external consultant would be an appropriate measure in light of Company's underperformance including, but not limited to, the rightsizing of the Board.
4. Mr Logan's sentiments in terms of the size and effectiveness of the Board were echoed by Mr V Schutte.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

**3. APPOINTMENT OF
AUDIT COMMITTEE
MEMBER AND
CHAIRMAN**

ORDINARY RESOLUTION NUMBER 3.1

The Chairman called for a proposer to the ordinary resolution, as set out in the notice of annual general meeting, regarding the election of N Maharajh as member and Chairman of the Audit Committee. The motion was proposed, seconded and declared open for discussion.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

**APPOINTMENT OF
AUDIT COMMITTEE
MEMBER**

ORDINARY RESOLUTION NUMBER 3.2

The Chairman called for a proposer to the ordinary resolution, as set out in the notice of annual general meeting, regarding the election of CA Boles as member of the Audit Committee. The motion was proposed, seconded and declared open for discussion.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

**APPOINTMENT OF
AUDIT COMMITTEE
MEMBER**

ORDINARY RESOLUTION NUMBER 3.3

The Chairman called for a proposer to the ordinary resolution, as set out in the notice of annual general meeting, regarding the election of B Mehlomakulu subject to the adoption of ordinary resolution 2.3 as member of the Audit Committee. The motion was proposed, seconded and declared open for discussion.

1. With reference to all three proposed Audit Committee candidates, Mr C Logan queried whether the members were satisfied with the carrying value of the company's assets in light of both the share price and the recent trend of write downs.
2. Mr N Maharajh advised that the Committee was comfortable that the issue had been thoroughly addressed. Further write-downs were dependent on general trading and the level of cash generated in the future.
3. It was noted that employee costs (which were under the Company's control) had increased as a percentage of revenue since 2007. In response, the Chairman provided an overview of the various initiatives underway to curtail these costs.
4. The valuation of plant and machinery, post write-offs, in the sum of R452 million was queried. Mr A P Krull provided details of the considerations that comprised the impairment analysis. Any taxation benefit was incidental to the process.

There being no further questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

4. APPROVAL OF NON-EXECUTIVE DIRECTORS FEES

SPECIAL RESOLUTION NUMBER 1:

The Chairman called for a proposer to the special resolution, as set out in the notice of the annual general meeting, regarding approval of non-executive directors' fees for their services as directors for the 12-month period commencing 1 August 2020. The motion was proposed, seconded and declared open for discussion.

1. Mr C Logan queried the total sum of non-executive directors' fees of circa R5.1 million in relation to the Company's current market capitalisation value. He suggested that the said fees would undermine any attempt to inculcate a cost-conscious culture.
2. It was noted that the Board did not intend to replace directors in the event of resignations or retirements in an effort to reduce the number of directors. Naturally, this would be balanced with the Board's obligation to ensure that it possesses the right individuals and skills to discharge its duties.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

5. FINANCIAL ASSISTANCE

SPECIAL RESOLUTION NUMBER 2:

The Chairman called for a proposer to the special resolution, as set out in the notice of the annual general meeting, regarding the grant of authority for the company to provide financial assistance to any related or inter-related company or corporation. The motion was proposed, seconded and declared open for discussion.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

6. GENERAL PURCHASE OF SHARES

SPECIAL RESOLUTION NUMBER 3:

The Chairman called for a proposer to the special resolution, as set out in the notice of the annual general meeting, regarding the grant of authority to the directors to facilitate the repurchase of the company's ordinary shares. The motion was proposed, seconded and declared open for discussion.

1. Mr Volker questioned the purpose for the inclusion of the resolution due to the fact that circa R14 million in cash had effectively been surrendered through the repurchase/s in the preceding year and subsequent devaluation in share price.
2. Mr A P Krull advised that it was standard practice to include a resolution of this nature in order to provide flexibility to the Board to consider a share repurchase within the construct of solvency and liquidity requirements.
3. In the absence of a consolidated view on share buy-backs, Mr R G Jacob added that the Company was often placed in a position of balancing various viewpoints, particularly those of institutional shareholders.

4. The mandatory requirements of the B-BBEE scheme and others in terms of the Company holding its own shares and vesting scenarios were noted.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

**7. NON-BINDING
ADVISORY VOTE:
REMUNERATION
POLICY**

NON-BINDING ADVISORY VOTE - REMUNERATION POLICY

The Chairman called for a proposer to the ordinary resolution, as set out in the notice of the annual general meeting, regarding approval of the group's remuneration policy for the financial year ended 31 December 2019, by way of a non-binding advisory vote. The motion was proposed, seconded and declared open for discussion.

1. Mr C Logan requested clarity in respect of the key metrics to determine short term incentives ("STI"). A breakdown of the STI structure in the areas of financial, operational and safety was provided by Mr RG Jacob. A simplified scheme had been adopted to be understandable to employees and shareholders alike.
2. The long terms incentive ("LTI") was based on a total shareholder return metric.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

**8. NON-BINDING
ADVISORY VOTE:
IMPLEMENTATION
REPORT**

NON-BINDING ADVISORY VOTE – IMPLEMENTATION REPORT

The Chairman called for a proposer to the ordinary resolution, as set out in the notice of the annual general meeting, regarding approval of the group's remuneration implementation report, by way of a non-binding advisory vote. The motion was proposed, seconded and declared open for discussion.

There being no questions regarding the proposed resolution, the Chairman requested shareholders to cast their votes on the polling forms provided.

G. POLLING FORMS

The Chairman noted that all resolutions had been put to the meeting and requested that shareholders or representatives voting at the meeting to email their voting papers to proxy@computershare.co.za and that the scrutineer from Computershare collate all polling forms and count the votes.

**H DECLARATION OF
RESULTS**

After the votes cast (in respect of all resolutions) on the polling forms had been counted by the scrutineer, the Company Secretary declared that all the resolutions included in the annual general meeting notice had duly been passed and that the voting percentages of each resolution would be published on SENS the following day.

**I. Report Back from the
Social, Ethics and
Sustainability
Committee**

1. Mr V Khumalo, as Chairman of the Social, Ethics and Sustainability Committee provided feedback on social and ethics matters pertaining to the company as set out in Annexure A of the notice of the annual general meeting.

J. General

The following matters of a general nature were tabled for discussion:

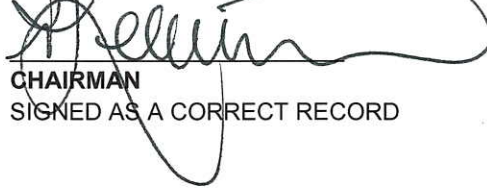
1. The first question dealt with gradual decline of the Company's share price over a period of ten years and Mr V Schutte requested details of the immediate measures that would be implemented by the Board / management to return the business to profitability with urgency. This sentiment was underlined by Mr L Chonco. The short-term aim was to restore the business to full capacity utilisation which, based on financial modelling, would be accompanied by positive EBITDA and strong cash flows. Once stability had been achieved by the end of the current financial year, the Company would revert to investment in improvement opportunities. The Chairman added that the Board was acutely aware of the issue and was fully engaged in restoring value for shareholders.
2. In response to Mr L Chonco, the Chairman reflected on the concept of value for the Company with reference to free cash flows and return on equity.
3. Mr A P Krull provided a provisional view in respect of the Company's performance for the six months to 30 June 2020 and noted that further details would be contained in a formal trading

update.

4. Mr A P Krull clarified that the impairment charges were not an indication of current year trading. Rather, they represented the Company's view on future cash flows discounted to the present in comparison to nett asset value.
5. The implications of reduced production volumes in the current year were highlighted by Mr V Schutte in terms of profitability, headroom and potential raising of capital. It was noted that the cost reduction process as well as currency fluctuations had alleviated the strain associated with reduced volumes. From a liquidity perspective, headroom was in facilities and covenants and working capital was being closely managed.
6. The Company's presence in the USA and, in particular, the on-going "anti-dumping" proceedings with the relevant authorities was discussed. Mr R G Jacob provided an update of the proceedings and added insight as to the nuances such as political influence, market dynamics, strategic appointment of consultants and prospects of success. In addition, he noted a number of new opportunities which had been identified.
7. It was noted that about 400 employees had tested positive for Covid-19 with the effect that immediate risk in the business had shifted from market risk to production in some respects.
8. The Board was mindful of the benefits of a possible merger with a larger international competitor and would explore such opportunities to the extent that it was in the best interest of the Company and its shareholders.
9. The Chairman provided a general business update for the benefit of the shareholders. In accordance with Paragraph 3.8 of the JSE Listings Requirements, the full "Chairman's Statement at the Annual General Meeting of Shareholders" was published simultaneously through SENS.

K. CLOSURE

There being no further business, the Chairman declared the meeting closed and thanked the members for their attendance.



CHAIRMAN
SIGNED AS A CORRECT RECORD