

HUDACO INDUSTRIES LIMITED

SECTION ONE: INFORMATION FROM AGMs AND ANNUAL REPORTS

1. Date of most recent AGM: 29/03/2017

2. Link to AGM minutes/ Results of recent AGM: https://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-results-of-annual-general-meeting-3/

3. Comment on Remuneration Policy/Report

The policy disclosure is good; the company sets clearly defined targets for executive management in terms of their short-term and long-term schemes.

At last year's annual general meeting, 26% of the shareholders voted against the remuneration policy.

The cash remuneration paid to the chief executive amounts to a multiple of 142,9 times our notional R60 000 salary minimum, while the chairman received a multiple of 15,0 times. The CEO remuneration is regarded to be very high and socially unacceptable.

4. Comment on Social and Environmental matters:

The Hudaco group has a policy on life-threatening diseases, as well as a separate HIV/AIDS policy, the purpose of which is to:

- ensure a working environment where employees living with HIV/AIDS are protected from unfair discrimination and stigmatisation and are treated with dignity, compassion and respect;
- ensure stability and productivity in the workplace; encourage disclosure by HIV/AIDS employees without fear of victimisation or prejudice; and
- empower employees to prevent the spread of HIV and AIDS through training and education.

The Group reports no fatalities in its health and safety record for F2015, but does report 88 disabling injuries (F2015: 56) and a disabling injury frequency rate (DIFR) per 200 000 hours worked of 2,57 (F2015: 1, 71).

No incidences of non-compliance, prosecution or fines relating to environmental performance or health and safety were reported during F2016.

5. Comment on King III compliance register

Hudaco reports the following non-compliance to the King II guidelines:

- While the head of internal audit reports to the audit committee functionally, he reports to the group financial director administratively. The committee is of the view that the group financial director respects and encourages the independence of the internal audit head and his department, and is thus satisfied that the required independence is maintained.
- Because of the nature of the information presented, the board has not considered it necessary to obtain independent assurance on sustainability reporting. The entire report is reviewed by the audit and risk management committee and recommended by it to the board.

An internal assessment of the application of King III and levels of compliance is set out in table form on page 43 of the company's integrated report.

6. RAITH Investment criteria

There are currently no signs that Hudaco is involved, or plans to become involved in areas that would be objectionable in terms of the RAITH criteria.

7. BEPS

8. PAIA Requests

9. Social and Labour Plans

SECTION 2: SENS RELEASES

DATE OF RELEASE	DESCRIPTION	LINK
03.05.16	HUDACO INDUSTRIES LIMITED – Acquisition of trading assets and liabilities of Miro Distribution (Proprietary) Limited and an operational update	http://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-acquisition-of-trading-assets-and-liabilities-of-miro-distribution-proprietary-limited-and-an-operational-update/
17.05.16	HUDACO INDUSTRIES LIMITED – Director's dealing in securities	http://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-directors-dealing-in-securities-10/
17.05.16	HUDACO INDUSTRIES LIMITED – Director dealing in securities	http://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-director-dealing-in-securities-5/
17.06.16	HUDACO INDUSTRIES LIMITED – Announcement regarding the acquisition of the trading assets and liabilities of Brewtech Engineering CC	http://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-announcement-regarding-the-acquisition-of-the-trading-assets-and-liabilities-of-brewtech-engineering-cc/
01.07.16	HUDACO INDUSTRIES LIMITED – Unaudited interim results for the six months ended 31 May 2016	http://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-unaudited-interim-results-for-the-six-months-ended-31-may-2016/
14.12.16	HUDACO INDUSTRIES LIMITED – Announcement regarding the acquisition of the trading assets	http://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-announcement-regarding-the-acquisition-of-the-trading-assets-and-liabilities-of-ss-

	and liabilities of SS Telecoms CC and Commercial ICT	telecoms-cc-and-commercial-ict/
03.02.17	HUDACO INDUSTRIES LIMITED – Abridged audited results for the year ended 30 November 2016	https://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-abridged-audited-results-for-the-year-ended-30-november-2016/
13.02.17	HUDACO INDUSTRIES LIMITED – Director dealing in securities	https://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-director-dealing-in-securities-6/
28.02.17	HUDACO INDUSTRIES LIMITED – Dealing in securities by directors	https://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-dealing-in-securities-by-directors/
01.03.17	HUDACO INDUSTRIES LIMITED – Officer's dealing in securities	https://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-officers-dealing-in-securities-7/
30.03.17	HUDACO INDUSTRIES LIMITED – Results of annual general meeting	https://www.moneyweb.co.za/mny_sens/hudaco-industries-limited-results-of-annual-general-meeting-3/