

CORPORATE GOVERNANCE

APPROACH TO EFFECTIVE GOVERNANCE

The Board of Directors (the Board) recognises the inextricable link between effective governance, sustainable organisational performance and creating long-term value for all stakeholders. The Board is therefore committed to transparency, accountability, integrity and ethical leadership.

Tongaat Hulett continues to apply the principles of the King Report on Governance for South Africa and the King Code on Governance Principles 2009 (King III), and the recommendations relevant to its business. Tongaat Hulett's King III compliance register is available at www.tongaat.com. It includes detail of how each principle has been applied and is reviewed on a regular basis to ensure that the disclosures are current and remain relevant. The company's approach to corporate governance continues to reflect that governance is regarded by the Board not as a mere compliance exercise that measures basic compliance with King III, but rather confirms that best practice principles are effectively utilised and embedded by the company in its daily activities.

Tongaat Hulett has commenced with the process of ensuring compliance with King IV which is applicable from April 2017, and will disclose as such in the 2018 integrated annual report.

This corporate governance report has been aligned to King III, the Companies Act, the Listings Requirements of the JSE Limited (JSE), and other pertinent statutes and regulatory requirements guiding the Board's and company's conduct for the period under review.

BOARD OF DIRECTORS

BOARD COMPOSITION

Tongaat Hulett has a unitary Board structure, which at 31 March 2017 comprised nine non-executive and two executive directors, drawn from a broad spectrum of the business community. Collectively, the directors possess a wide array of skills, knowledge and experience, and bring independent judgement to Board deliberations and decisions, with no one individual or group having unfettered powers of decision-making. The Board acknowledges that its demographic diversity (including race, historically disadvantaged groups, age and nationality) promotes the consideration of various perspectives and thus enhances robust, balanced and effective discussions at the top tier of the organisation. The Board is sufficiently gender diverse, with five out of eleven directors on the Board being women, and has formally adopted a gender policy in accordance with the JSE Listings Requirements. The roles of the Non-Executive Chairman, CB Sibisi, and the Chief Executive Officer, PH Staude, are separate with a clear division of responsibilities. The Chairman is not considered fully independent by virtue of his involvement in the company's BEE equity participation structure. Ms John, who is an Independent Non-executive Director is the Lead Independent Director in situations where the Chairman is not independent.

BOARD CHARTER AND DELEGATED AUTHORITIES

The Board has an approved charter and an annual work plan that outline matters identified and reserved for its consideration.

Board Of Directors		Board Committees			
Name	Year Appointed	Audit and Compliance	Remuneration	Nomination	Risk, SHE, Social and Ethics
Non-Executive Directors					
CB Sibisi (Chairman)	2007		Member	Chairman	
SM Beesley*	2014	Member			Member
F Jakoet*	2008	Member			Member
J John (LID)**	2007	Chairman			
RP Kupara*	2009	Member			
TN Mgoduso	2010				Member
N Mjoli-Mncube*	2008		Member	Member	Chairman
SG Pretorius*	2011		Chairman	Member	
TA Salomão*	2015				
Executive Directors					
PH Staude (CEO)	1997				Member
MH Munro	2003				Member

* Independent non-executive directors
 ** Lead independent director