

NOTICE OF ANNUAL GENERAL MEETING

AFRICAN RAINBOW MINERALS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1933/004580/06)

JSE share code: ARI

ADR ticker symbol: AFRBY

ISIN: ZAE000054045

("ARM" or "the Company")

Notice is hereby given that the 85th Annual General Meeting of shareholders of the Company will, subject to any cancellation, postponement or adjournment, be held on Friday, 7 December 2018 at 11:00 South African time, in Committee Room 4, Sandton Convention Centre (at the corner of Fifth and Maude Streets), Sandton, for the following business to be transacted and to consider and, if deemed fit, approve, with or without modification, the resolutions set out below.

The record date for the purposes of Section 59(1)(a) of the Companies Act, 71 of 2008 (as amended) ("the Companies Act") for shareholders to be entitled to receive the Notice of Annual General Meeting is Friday, 19 October 2018.

The record date for the purposes of Section 59(1)(b) of the Companies Act for shareholders to be recorded as such in the register maintained by the transfer secretaries of the Company for the purposes of being entitled to participate in and vote at the Annual General Meeting is Friday, 30 November 2018 ("voting record date"). The last day to trade in the Company's shares in order to be recorded as a shareholder by the voting record date is Tuesday, 27 November 2018.

PRESENTATION OF FINANCIAL STATEMENTS

To present the Annual Financial Statements of the Group and the Company for the financial year which ended on 30 June 2018, as set out on pages 21 to 109 in the 2018 Annual Financial Statements, including the Directors', Audit and Risk Committee and Independent Auditor's Reports. The 2018 Integrated Annual Report and the 2018 Annual Financial Statements are available on the Company's website: www.arm.co.za.

SOCIAL AND ETHICS COMMITTEE REPORT

To present the Report of the Social and Ethics Committee as set out on pages 132 to 133 in the 2018 Integrated Annual Report in terms of Regulation 43(5)(c) of the Companies Regulations, 2011 ("the Regulations") promulgated in terms of the Companies Act.

RE-ELECTION OF NON-EXECUTIVE DIRECTORS

Ordinary resolutions numbers 1 to 5 are proposed to re-elect Directors who retire by rotation as Non-executive Directors of the Company in accordance with the provisions of the Company's Memorandum of Incorporation and who, being eligible, offer themselves for re-election. These Directors' *curricula vitae* appear on pages 142 to 143 of this Notice of Annual General Meeting. The Board of Directors of the Company (the "Board") recommends the re-election of these Directors.

Ordinary resolution number 1

– Re-election of Dr M M M Bakane-Tuoane

1. "Resolved that Dr M M M Bakane-Tuoane, who retires by rotation in terms of the Company's Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a Director of the Company."

In order for this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Ordinary resolution number 2

– Re-election of Mr A D Botha

2. "Resolved that Mr A D Botha, who retires by rotation in terms of the Company's Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a Director of the Company."

In order for this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Ordinary resolution number 3

– Re-election of Mr T A Boardman

3. "Resolved that Mr T A Boardman, who retires by rotation in terms of the Company's Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a Director of the Company."

In order for this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Ordinary resolution number 4

– Re-election of Mr W M Gule

4. "Resolved that Mr W M Gule, who retires by rotation in terms of the Company's Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a Director of the Company."

In order for this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Ordinary resolution number 5

– Re-election of Mr A K Maditsi

5. “Resolved that Mr A K Maditsi, who retires by rotation in terms of the Company’s Memorandum of Incorporation and who is eligible and available for re-election, be and is hereby re-elected as a Director of the Company.”

In order for this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

ELECTION OF EXECUTIVE DIRECTOR

Ordinary resolution number 6 is proposed to elect a Director who was appointed between Annual General Meetings and whose term of office terminates in accordance with the Company’s Memorandum of Incorporation. This Director’s *curriculum vitae* appears on page 145 of this Notice of Annual General Meeting. The Board of Directors recommends the election of this Director.

Ordinary resolution number 6

– Election of Ms A M Mukhuba

6. “Resolved that Ms A M Mukhuba, whose period of office as a Director terminates in accordance with the Company’s Memorandum of Incorporation at this Annual General Meeting and who, being eligible and having made herself available for election, be and is hereby elected as a Director of the Company.”

In order for this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

RE-APPOINTMENT OF EXTERNAL AUDITOR AND RE-APPOINTMENT OF DESIGNATED AUDITOR

Ordinary resolution number 7

– Re-appointment of external auditor and re-appointment of designated auditor

Ordinary resolution number 7 is proposed to approve the re-appointment of Ernst & Young Inc. as the external auditor of the Company and to re-appoint Mr L I N Tomlinson as the person designated to act on behalf of the external auditor for the financial year ending 30 June 2019, to remain in office until the conclusion of the next Annual General Meeting.

7. “Resolved that the re-appointment of Ernst & Young Inc. as the external auditor of the Company be and is hereby approved and that Mr L I N Tomlinson be and is hereby re-appointed as the designated auditor for the financial year ending 30 June 2019, to remain in office until the conclusion of the next Annual General Meeting.”

In order for this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

AUDIT AND RISK COMMITTEE MEMBERS

Ordinary resolution number 8

– Election of Audit and Risk Committee members

Ordinary resolution number 8 is proposed to elect Audit and Risk Committee members in terms of Section 94(2) of the Companies Act and the King IV Report on Corporate Governance for South Africa 2016 (collectively, “King IV™”) as more fully explained in the Annexure on page 144. The *curricula vitae* of those Independent Non-executive Directors offering themselves for election as members of the Audit and Risk Committee are included on pages 142 to 143 of the Notice of Annual General Meeting.

8. “Resolved that the shareholders elect, each by way of a separate vote, the following Independent Non-executive Directors, as members of the Audit and Risk Committee, with effect from the end of this Annual General Meeting:

- 8.1 Mr T A Boardman (Chairman)*
- 8.2 Dr M M M Bakane-Tuoane*
- 8.3 Mr A D Botha*
- 8.4 Mr A K Maditsi*
- 8.5 Mr J P Möller
- 8.6 Dr R V Simelane

* *Subject to their re-election as Directors pursuant to ordinary resolutions numbers 1 to 3 and number 5 above.*

In order for each of these resolutions to be approved, the support of a majority of votes cast by shareholders present or represented by proxy at the Annual General Meeting is required in respect of each of these resolutions.

ADOPTION OF A NEW CONDITIONAL SHARE PLAN

Ordinary resolution number 9 is proposed for the purposes set out in the Annexure on pages 144 and 148.

Ordinary resolution number 9

– Adoption of the 2018 Conditional Share Plan

9. “Resolved that:
- (a) the 2018 Conditional Share Plan, a copy of which has been labelled for identification purposes and tabled at the Annual General Meeting, be and is hereby approved; and
 - (b) the Board be and is hereby authorised to allot and issue authorised but unissued ordinary shares to an eligible participant in the 2018 Conditional Share Plan upon the valid exercise of such eligible participant’s rights under the 2018 Conditional Share Plan.”

Copies of the following documents will be available for inspection during normal business hours at the registered office of the Company from the date of issue of the Integrated Annual Report of which this Notice of Annual General Meeting forms part, up to and including the date of the Annual General Meeting: (i) the Company’s 2018 Integrated Annual Report; and (ii) the 2018 Conditional Share Plan.

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The principal terms of the 2018 Conditional Share Plan are set out in the Annexure on pages 144 to 148.

In order for this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

REMUNERATION POLICY**Ordinary resolution number 10****– Non-binding advisory vote on the Company's Remuneration Policy**

Ordinary resolution number 10 is proposed for the purpose set out in the Annexure on page 144.

10. "Resolved that the shareholders hereby endorse, by way of a non-binding advisory vote, the Company's Remuneration Policy, as set out on pages 117 to 125."

Should 25% or more of the votes cast vote against this ordinary resolution, the Company undertakes to engage with shareholders as to the reasons therefore and to appropriately address legitimate and reasonable objections and concerns raised.

REMUNERATION IMPLEMENTATION REPORT**Ordinary resolution number 11****– Non-binding advisory vote on the Company's Remuneration Implementation Report**

Ordinary resolution number 11 is proposed for the purpose set out in the Annexure on page 144.

11. "Resolved that the shareholders hereby endorse, by way of a non-binding advisory vote, the Company's Remuneration Implementation Report, as set out on pages 126 to 131."

Should 25% or more of the votes cast vote against this ordinary resolution, the Company undertakes to engage with shareholders as to the reasons therefore and to appropriately address legitimate and reasonable objections and concerns raised.

GENERAL AUTHORITY TO ALLOT AND ISSUE SHARES FOR CASH**Ordinary resolution number 12****Placing control of the authorised but unissued Company shares in the hands of the Board**

12. "Resolved that, as a separate and additional authority from that referred to in ordinary resolution number 13, subject to compliance with the provisions of the Companies Act and the JSE Listings Requirements and in terms of article 4.2.1 of the Company's Memorandum of Incorporation, the Board, in addition to any authority it may have in terms of any of the Company's share or employee incentive schemes (including without limitation the 2018 Conditional Share Plan, if approved in terms of ordinary resolution number 9),

be and is hereby authorised, on such terms and conditions and for such purposes as the Board may in their sole discretion deem fit, to allot and issue, or grant options over, the authorised but unissued shares (or securities) in the share capital of the Company representing not more than 5% (five percent) of the number of shares in the issued share capital of the Company as at the date of this Notice of Annual General Meeting, such authority to remain in force until the earlier of the next Annual General Meeting or for 15 (fifteen) months from the date on which this resolution is passed."

In order for this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Reason for and effect of this ordinary resolution number 12

The reason for and effect of this ordinary resolution number 12 is to seek a general authority and approval for the Board to allot and issue, or grant options over, the authorised but unissued shares (or securities) in the share capital of the Company, up to 5% (five percent) of the number of shares in the issued share capital of the Company as at the date of this Notice of Annual General Meeting, in order to enable the Company to take advantage of business opportunities which might arise in the future.

Ordinary resolution number 13**General authority to issue shares for cash**

13. "Resolved, as a separate and additional authority from that referred to in ordinary resolution number 12, that the Board be and is hereby authorised as a general authority to allot and issue the authorised but unissued shares in the share capital of the Company (including the grant or issue of options or convertible securities that are convertible into an existing class of equity securities) for cash on a non-pro rata basis on such terms and conditions as the Board may, from time to time at their sole discretion, deem fit subject to the Companies Act and the JSE Listings Requirements, provided that:

- (a) the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- (b) the equity securities must be issued to public shareholders, as defined in the JSE Listings Requirements, and not to related parties;
- (c) securities which are the subject of general issues for cash in the aggregate may not exceed 5% (five percent) of the Company's shares in issue as at the date of this Notice of the Annual General Meeting, excluding treasury shares – the number of shares available for the issue of shares for cash will therefore be limited to 10 985 514 shares;

- (d) this authority shall be valid until the Company's next Annual General Meeting or for 15 (fifteen) months from the date on which this resolution is passed, whichever period is shorter, subject to the requirements of the JSE and any other restrictions set out in this authority;
- (e) the calculation of the Company's listed equity securities must be a factual assessment of the Company's listed equity securities as at the date of this Notice of Annual General Meeting, excluding treasury shares;
- (f) any equity securities issued under this authority for cash during the period contemplated in (d) shall be deducted from the number set out in (c);
- (g) in the event of sub-division or consolidation of issued equity securities during the period contemplated in (d), the existing authority will be adjusted accordingly to represent the same allocation ratio; and
- (h) the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price of such equity securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities – the JSE will be consulted for a ruling if the Company's securities have not traded in such 30 (thirty) business day period."

In order for this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Reason for and effect of this ordinary resolution number 13

The reason for and effect of this ordinary resolution number 13 is that the Board considers it advantageous to have the authority to issue authorised but unissued shares in the share capital of the Company (including the grant or issue of options or convertible securities that are convertible into an existing class of equity securities) for cash on a non-pro rata basis in order to enable the Company to take advantage of any business opportunity which might arise in the future. At present, the Board has no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolutions numbers 1 and 2 are proposed to ensure that Non-executive Directors' fees attract and retain Non-executive Directors.

Special resolution number 1

– Annual retainer fees and per Board meeting attendance fees

14. "Resolved that, with effect from 1 July 2018, the Company be and is hereby authorised, each by way of a separate vote, to pay its Non-executive Directors:

14.1 the annual retainer fees, quarterly or as otherwise determined by the Board, which shall be pro-rated for periods of less than a full year; and

14.2 the fees for attending Board meetings,

in each case as listed in the table below, and that these resolutions shall be deemed to supersede and replace all prior authorising resolutions in relation to the remuneration contemplated herein and shall continue to apply until the earlier of (i) the second anniversary of the passing of this resolution and (ii) the effective date of any further special resolution approved by shareholders which supersedes these resolutions:

	Proposed fees with effect from 1 July 2018 (excluding VAT) (Rand)*		Fees effective 1 July 2017 (excluding VAT) (Rand)	
	Annual	Per meeting	Annual	Per meeting
Lead Independent Non-executive Director	533 700	20 400	533 700	20 400
Independent Non-executive Director	425 800	20 400	425 800	20 400
Non-executive Director	425 800	20 400	340 750	20 400

* Effective 1 July 2018, should the fees be approved by shareholders at the Annual General Meeting."

In order for this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Reason for and effect of this special resolution number 1

The reason for and effect of special resolution number 1 is to approve the payment of fees to Non-executive Directors for services rendered in their capacity as Directors (which includes any attendance at a Committee meeting, at the direction of the Board, where the Non-executive Director is not a member of the Committee), and to ensure that Non-executive Directors' fees attract and retain Non-executive Directors. The fees reflected above are exclusive of value-added tax ("VAT"), if any. This resolution, if approved, shall from 1 July 2018 supersede and replace the corresponding resolution passed at the Annual General Meeting in December 2017.

NOTICE OF ANNUAL GENERAL MEETING continued**Special resolution number 2****– Committee meeting attendance fees**

15. “Resolved that, with effect from 1 July 2018, the Company be and is hereby authorised to pay, quarterly or as otherwise determined by the Board, its Non-executive Directors for attending Committee meetings (as a member of the Committee) the fees per meeting listed below, and that this resolution shall be deemed to supersede and replace all prior authorising resolutions in relation to the remuneration contemplated herein and shall continue to apply until the earlier of (i) the second anniversary of the passing of this resolution and (ii) the effective date of any further special resolution approved by shareholders which supersedes this resolution:

	Per meeting attendance fees proposed with effect from 1 July 2018 (excluding VAT) (Rand)*	Per meeting attendance fees effective 1 July 2017 (excluding VAT)
Audit and Risk Committee		
Chairman	106 400	106 400
Member	42 600	42 600
Investment Committee, Nomination Committee, Remuneration Committee and Social and Ethics Committee		
Chairman	52 750	41 800
Member	27 850	27 850

* Effective 1 July 2018, should the fees be approved by shareholders at the Annual General Meeting.”

In order for this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Reason for and effect of this special resolution number 2

The reason for and effect of special resolution number 2 is to approve the payment of fees to Non-executive Directors for services rendered in their capacity as Committee members and to ensure that the Committee meeting attendance fees attract and retain Non-executive Directors. The fees reflected above are exclusive of VAT, if any. This resolution, if approved, shall from 1 July 2018 supersede and replace the corresponding resolution passed at the Annual General Meeting in December 2017.

FINANCIAL ASSISTANCE – FOR SUBSCRIPTION FOR SECURITIES

In terms of the Companies Act, the Board may authorise a company to provide financial assistance within the meaning of Section 44(1) and (2) by way of a loan, guarantee the provision of security or otherwise to any person for the purpose of or in

connection with the subscription for any option or any securities issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, provided that such assistance is approved by way of a special resolution of the shareholders approved within the previous two years and certain requirements set out in the Companies Act are met, *inter alia*, that the Board is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test. The Board seeks such approval from shareholders in order to provide financial assistance to any person who is a participant in any of the Company’s share or employee incentive schemes.

Special resolution number 3**– Financial Assistance – For subscription for securities**

16. “Resolved that the provision of direct or indirect financial assistance in terms of Section 44 of the Companies Act by the Company to any person who is a participant in any of the Company’s share or employee incentive schemes (including without limitation the 2018 Conditional Share Plan, if approved in terms of ordinary resolution number 9) including any Director or Prescribed Officer of the Company (or any person related to any of them or to any company or corporation related or inter-related to any of them) for the purpose of, or in connection with, the subscription for or purchase of any securities, or options to subscribe for or purchase any securities, issued or to be issued by the Company or any related or inter-related company on the terms and conditions which the Board may determine, where any such financial assistance is provided in terms of any such scheme that does not satisfy the requirements of Section 97 of the Companies Act, be and is hereby approved. This authority will be in place for a period of two years from the date of adoption of this resolution.”

In order for this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

FINANCIAL ASSISTANCE – FOR RELATED OR INTER-RELATED COMPANIES

In terms of Section 45 of the Companies Act, the Board may authorise a company to provide direct or indirect financial assistance within the meaning of Section 45(1) to any company or corporation which is related or inter-related to the Company, provided that such assistance is approved by way of a special resolution of the shareholders approved within the previous two years and certain requirements set out in the Companies Act are met, *inter alia*, that the Board is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test. The Board seeks such approval from shareholders in order to provide financial assistance to any company or corporation which is related or inter-related to the Company.

Special resolution number 4

– Financial Assistance – For related or inter-related companies

17. “Resolved that the provision of any direct or indirect financial assistance in terms of Section 45 of the Companies Act by the Company, subject to the provisions of the Companies Act and the JSE Listings Requirements, to any present or future subsidiaries of the Company and/or any other company or corporation which is or becomes related or inter-related to the Company (as defined in the Companies Act) and/or any juristic persons who are members of any such related or inter-related company or corporation and/or any one or more juristic persons related to any such company, corporation or member, in each case for any purpose or in connection with any matter, including in connection with the subscription for or purchase of any securities, or options to subscribe for or purchase any securities, issued or to be issued by the Company or any related or inter-related company, on the terms and conditions which the Directors may determine be and is hereby approved. This authority will be in place for a period of two years from the date of adoption of this resolution.”

In order for this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

ISSUE OF SHARES IN CONNECTION WITH THE 2018 CONDITIONAL SHARE PLAN

Special resolution number 5

– Issue of shares to persons listed in Section 41(1) of the Companies Act in connection with the 2018 Conditional Share Plan

18. “Resolved that to the extent required in terms of Section 41(1) of the Companies Act, but subject to the JSE Listings Requirements and the Memorandum of Incorporation of the Company, the Board be and is hereby authorised to issue such number of authorised but unissued ordinary shares or to grant options for the allotment or subscription of authorised but unissued shares or any other rights exercisable for securities, to any eligible participants in the 2018 Conditional Share Plan, including:

- (a) any Director, future Director, Prescribed Officer, or future Prescribed Officer of the Company;
- (b) any person related or inter-related to the Company, or to a Director or Prescribed Officer of the Company; or
- (c) any nominee of a person contemplated in paragraphs (a) or (b),

in each case, to the extent required or contemplated under the rules of the 2018 Conditional Share Plan.”

In order for this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

Reason for and effect of this special resolution number 5

The reason for and effect of this special resolution number 5 is to ensure that ordinary shares can be issued to the persons set out in this special resolution number 5 to the extent required by the 2018 Conditional Share Plan. Such persons may not be entitled to participate in the 2018 Conditional Share Plan in the absence of the authorisation contemplated in terms of special resolution number 5.

GENERAL AUTHORITY TO REPURCHASE SHARES

Special resolution number 6 is proposed to authorise the Board, if it deems it appropriate in the interests of the Company, to instruct that the Company or subsidiaries of the Company acquire or repurchase ordinary shares issued by the Company.

The Board believes that the Company should retain flexibility to take action if future acquisitions of its ordinary shares were considered desirable and in the best interests of the Company and its shareholders.

Special resolution number 6

– General Authority to Repurchase Shares

19. “Resolved that, subject to compliance with the JSE Listings Requirements, the Companies Act, and the Memorandum of Incorporation of the Company, the Company or any subsidiary of the Company, be and is hereby authorised, by way of a general approval, to acquire ordinary shares issued by the Company, provided that:

- o the number of ordinary shares so acquired in any one financial year shall not exceed 5% (five percent) of the ordinary shares in issue at the date on which this resolution is passed;
- o any such acquisition shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- o this authority will lapse on the earlier of the date of the next Annual General Meeting of the Company or 15 (fifteen) months after the date on which this resolution is passed;
- o the price paid per ordinary share may not be greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the purchase is made;
- o the Board has resolved that it has authorised the acquisition, that the Company and its subsidiaries will satisfy the solvency and liquidity test as contained in Section 4 of the Companies Act and that, since the solvency and liquidity test was performed, there have been no material changes to the financial position of the Group;
- o the Company or its subsidiaries will not repurchase ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless there is in place a repurchase programme as

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contemplated in the JSE Listings Requirements where the dates and quantities of securities to be traded during the relevant prohibited period are fixed (not subject to any variation) and which has been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by the Company prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;

- the Company at any point in time only appoints one agent to effect any acquisition(s) on its behalf;
- an announcement containing details of such acquisitions will be published as soon as the Company and/or its subsidiaries, collectively, shall have acquired ordinary shares issued by the Company constituting, in aggregate, 3% of the number of ordinary shares in the Company in issue as at the date of this approval; and further announcements containing details of such acquisitions will be published in respect of each subsequent acquisition by either the Company and/or by the subsidiaries, collectively, of ordinary shares issued by the Company, constituting, on a cumulative basis, 3% of the number of ordinary shares in the Company in issue as at the date of this approval;
- the Company's subsidiaries shall not be entitled to acquire ordinary shares issued by the Company if the acquisition of shares will result in them holding, on a cumulative basis, more than 10% of the number of ordinary shares in issue in the Company; and
- no voting rights attached to the shares acquired by the Company's subsidiaries may be exercised while the shares are held by them and they remain subsidiaries of the Company."

In order for this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

After considering the effect of acquisitions, up to the maximum limit, of the Company's issued ordinary shares in terms of this special resolution number 6, the Board is of the opinion that if such acquisitions were implemented:

- the consolidated assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards and in accordance with accounting policies used in the Company and Group annual financial statements for the year ended 30 June 2018, will exceed the consolidated liabilities of the Company and the Group for a period of twelve months after the date of the Notice of Annual General Meeting;
- the Company and the Group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the Notice of Annual General Meeting;

- the issued share capital and reserves of the Company and Group will be adequate for the purposes of the business of the Company and Group for a period of 12 (twelve) months after the date of the Notice of Annual General Meeting; and
- the Company and Group will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of the Notice of Annual General Meeting.

The following additional information, some of which appears in the Shareholder Analysis in the Annual Financial Statements is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this special resolution number 6:

- major shareholders – page 118 of the Annual Financial Statements; and
- share capital of the Company – page 65 of the Annual Financial Statements.

The Directors, whose names appear on pages 104 and 105 of the Integrated Annual Report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to special resolution number 6; and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and the JSE Listings Requirements.

At present, the Board have no specific intention to use this authority, and the authority will thus only be used if the circumstances are appropriate.

Other than the facts and developments reported on in the Integrated Annual Report, there have been no material changes in the financial or trading position of the Company that have occurred since the date of signature of the Annual Financial Statements for the period ended 30 June 2018 up to the date of this Notice of Annual General Meeting.

VOTING AND PROXIES

In terms of Section 63(1) of the Companies Act, any person attending or participating in the Annual General Meeting must present reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of any person to participate in and vote, whether as a shareholder or as a proxy for a shareholder, have been reasonably verified. Acceptable forms of identification include a valid identity document, driver's licence or passport.

In terms of Section 63(5) of the Companies Act, if voting is by show of hands, every person who is present at the Annual General Meeting, whether as a shareholder or as a proxy for a shareholder, and entitled to exercise voting rights, shall have one vote, irrespective of the number of shares held by such shareholder.

In terms of Section 63(6) of the Companies Act, if voting is by polling, every person who is present at the Annual General Meeting, whether as a shareholder or as a proxy for a shareholder, shall have one vote for every share held by such shareholder.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the Annual General Meeting should the shareholder decide to do so. A summary of the shareholders' rights in respect of proxy appointments as contained in Section 58 of the Companies Act is set out on page 152 (*Instructions on signing and lodging the form of proxy*).

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Should any shareholder (or any proxy for a shareholder) wish to participate in the Annual General Meeting by way of electronic participation, that shareholder (or its proxy) should make application in writing (including details as to how the shareholder (or its proxy) can be contacted to participate) to the transfer secretaries, at their address below, to be received by the transfer secretaries at least five business days prior to the Annual General Meeting in order for the transfer secretaries to arrange for the shareholder (or its proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of Section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or its proxy) with details as to how to access any electronic participation means to be provided.

The Company reserves the right to elect not to provide for electronic participation at the Annual General Meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the Company.

Please note that although shareholders are entitled to participate in the Annual General Meeting by electronic means, they shall not be entitled to exercise their votes at the Annual General Meeting electronically. Voting at the Annual General Meeting will only be possible by proxy if a shareholder is unable to attend the Annual General Meeting in person.

CERTIFICATED SHAREHOLDERS/ DEMATERIALISED SHAREHOLDERS WITH OWN NAME REGISTRATIONS

Shareholders who have not yet dematerialised their shares with own name registrations ("Entitled Shareholders") (i.e. shareholders who hold their shares in certificated form) may appoint one or more proxies to attend, speak and vote or abstain from voting in such shareholders' stead. The person so appointed need not be a shareholder of the Company. A form of proxy is attached for the use of those Entitled Shareholders who wish to be represented. Such Entitled Shareholders should complete the attached form of proxy in accordance with the instructions contained therein and deposit it at the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (or posted to PO Box 61051, Marshalltown 2107, South Africa) (or faxed to the Proxy Department Fax +27 11 688 5238) (or emailed to Proxy@computershare.co.za).

DEMATERIALISED SHAREHOLDERS

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") (other than those with own name registrations) should provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into with the relevant CSDP or broker. Should such shareholders wish to attend the Annual General Meeting or send a proxy to represent them at the Annual General Meeting, they should inform their CSDP or broker timeously and request their CSDP or broker to issue them with the necessary letter of representation to attend. These shareholders must not use the form of proxy.

By order of the Board

A N D'Oyley
Company Secretary

29 October 2018

NOTICE OF ANNUAL GENERAL MEETING continued

CURRICULA VITAE

**ORDINARY RESOLUTIONS NUMBER 1
TO NUMBER 5: RE-ELECTION OF
NON-EXECUTIVE DIRECTORS****Tom Boardman (68)****BCom, CA(SA)****Independent Non-executive Director**

The Chairman of the Audit and Risk Committee and a member of the Non-executive Directors' Committee and the Remuneration Committee

Appointed to the Board in 2011

Tom Boardman was Chief Executive of Nedbank Group Limited from December 2003 to February 2010. He was previously Chief Executive and an Executive Director of BoE Limited, one of South Africa's leading private and investment banking companies which was acquired by Nedbank in 2002. He was the founding shareholder and Managing Director of retail housewares chain Boardmans, which he sold to Pick 'n Pay in 2006. The Boardmans chain of stores is now owned by Edcon. Prior to this, he was Managing Director of Sam Newman Limited and worked for the Anglo American Corporation for three years. He served his articles at Deloitte.

He served as a Non-executive Director on the Board of Nedbank Limited from March 2010 to May 2017. He served as Chairman of the Credit and the Capital and Risk Committees. He was a Director of a listed Swedish Investment Company, Kinnevik, from 2011 to 2018, having served as Chairman for the last two years.

He is currently a Non-executive Director of Woolworths Holdings and Royal Bafokeng Holdings, Ubuntu-Botho Investments and African Rainbow Capital. He is also a Non-executive Director and Chairman of Millicom International Cellular, which is one of the major mobile and cable network operators in Central and South America and is listed on the Swedish stock exchange. He is also a Director and Chairman of Ansor Limited, a private equity holding company based in the United Kingdom.

He is a Director of The Peace Parks Foundation and serves as a trustee on a number of other charitable foundations.

Dr Manana Bakane-Tuoane (70)**BA (Economics and Statistics), MA (Econ, International Trade), PhD (Econ)****Independent Non-executive Director**

Member of the Audit and Risk Committee, the Nomination Committee, the Non-executive Directors' Committee, the Remuneration Committee and the Social and Ethics Committee

Appointed to the Board in 2004

Dr Manana Bakane-Tuoane served as ARM's Lead Independent Non-executive Director from 2009 to 2015. Manana has extensive experience in the economics field. Her 20-year career in the academic field included lecturing at various institutions, including the University of Botswana, Lesotho and Swaziland (UBLS), National University of Lesotho (NUL), University of Saskatchewan (Sectional Lecturer), and the University of Fort Hare, as Head of Department and Associate Professor. During this part of her career she was seconded to work in the public service, where she has held various senior management positions since 1995. Concurrent with the above, Manana has been a member and office bearer of several international organisations, including Winrock International and the African Economic Research Consortium (AERC). She is also a trustee of certain Sanlam trusts. Manana was the Special Advisor to the Minister of Social Development, Minister of Water and Environmental Affairs as well as Minister of Environmental Affairs from 2009 until 31 January 2015.

Anton Botha (65)**BCom (Marketing), BProc, BCom (Hons), SEP (Stanford)****Independent Non-executive Director**

Chairman of the Remuneration Committee and a member of the Audit and Risk Committee, the Investment Committee and the Non-executive Directors' Committee

Appointed to the Board in 2009

Anton Botha is a co-founder, Director and co-owner of Imalivest, a private investment group that manages proprietary capital provided by its owners and the Imalivest Flexible Funds. He also serves as a Non-executive Director on the Boards of the University of Pretoria, Sanlam Limited and certain Sanlam subsidiaries.

Mangisi Gule (66)**BA (Hons) (Wits), P & DM (Wits Business School)****Non-executive Director**

Member of the Non-executive Directors' Committee

Appointed to the Board in 2004

Mangisi Gule was appointed Chief Executive of ARM Platinum on 27 February 2005 and in May 2007 he was appointed Chief Executive of ARM Coal, a role which he held until August 2012. Mangisi was Executive Director: Corporate Affairs until 30 June 2013. He has been a Non-executive Director of the Company since 1 July 2013. Mangisi has extensive experience in the field of management, training, human resources, communications, corporate affairs and business development. Apart from his qualifications in business management from Wits Business School, Mangisi has proven experience in leadership and mentorship. He has been a lecturer, as well as Chairman of various professional bodies and a member of various executive committees and associations. He has also been an Executive Director and Board member of ARMgold as well as an Executive Director and Board member of Harmony.

Alex Maditsi (56)**BProc, LLB, HDip Co Law, LLM****Lead Independent Non-executive Director**

Chairman of the Nomination Committee and of the Non-executive Directors' Committee and a member of the Audit and Risk Committee, the Investment Committee, the Remuneration Committee and the Social and Ethics Committee

Appointed to the Board in 2004

Alex Maditsi became the Lead Independent Non-executive Director in 2015. Alex is the Managing Director of Copper Moon Trading (Pty) Ltd. Previously, he was employed by Coca-Cola South Africa as a Franchise Director for South Africa. He was Country Manager for Kenya, Senior Director: Operations Planning and Legal Director for Coca-Cola Southern and East Africa. Prior to joining Coca-Cola, Alex was the Legal Director for Global Business Connections in Detroit, Michigan. He also spent time at Lewis, White and Clay, The Ford Motor Company and Schering-Plough in the USA, practising as an attorney. Alex was a Fulbright Scholar and a member of the Harvard LLM Association. Alex's directorships include African Rainbow Energy and Power (Pty) Ltd, Bidvest Group Limited, Murray & Roberts and Sterling Debt Recoveries (Pty) Ltd.

**ORDINARY RESOLUTION NUMBER 6:
ELECTION OF EXECUTIVE DIRECTOR****Abigail Mukhuba CA(SA) (39)****Bcompt, BCom (Accounting) (Hons), MCom (South African and International Taxation), MBA****Finance Director****Appointed to the Board in 2017**

Abigail has over 17 years' working experience in the financial reporting and tax specialist environment in the mining and automotive industries. She started her career at a large South African auditing firm before joining BMW SA Inc. In 2007, she moved onto the mining industry at Exxaro Resources Limited, where she led the Group Financial Reporting team. Abigail joined ARM in 2016 as the Chief Finance Officer and in 2017 she was appointed as ARM's Finance Director. She is also a Director of African Rainbow Capital.

**ORDINARY RESOLUTION NUMBER 8: ELECTION
OF AUDIT AND RISK COMMITTEE MEMBERS****Kobus Möller (59)****BCom, BCompt (Hons), CA(SA), AMP (Harvard)****Independent Non-executive Director**

Member of the Audit and Risk Committee, the Investment Committee, the Remuneration Committee and the Non-executive Directors' Committee

Appointed to the Board in 2017

Kobus Möller was the Financial Director of Sanlam Limited and Sanlam Life Insurance Limited from November 2006 to September 2016. Between 1998 and October 2006, he held a number of roles within the Sanlam Group. Previously, he was the Financial Director of Impala Platinum Holdings Limited, from 1996 to 1998, and the Group Financial Manager of Gencor Limited, from 1985 to 1996. Kobus is currently a Non-executive Director of a number of Sanlam Group companies.

Dr Rejoice Simelane (66)**BA (Economics and Accounting), MA, PhD (Econ), LLB (UNISA)****Independent Non-executive Director**

Chairman of the Social and Ethics Committee and a member of the Audit and Risk Committee, the Nomination Committee and the Non-executive Directors' Committee

Appointed to the Board in 2004

Rejoice Simelane commenced her career at the University of Swaziland, as a lecturer in Economics. Between 1998 and 2001, she worked at the National Department of Trade and Industry and the National Treasury. After that she served in the capacity of Special Advisor, Economics, to the then Premier of Mpumalanga until mid-2004, when she assumed the position of Chief Executive of Ubuntu-Botho Investments until 2016. Whilst she remains an Executive Director in Ubuntu-Botho Investments, she also serves as a Non-executive Director on the Board of African Rainbow Capital, a wholly owned subsidiary of Ubuntu-Botho Investments. Rejoice's other Board directorships include Sanlam Limited, Mamelodi Sundowns Football Club, and African Rainbow Energy and Power. She is also a member of the Premier Soccer League Executive Committee. A CIDA Scholarship Recipient and a Fulbright Fellow, Rejoice was also a member of the Presidential Economic Advisory Panel under former President Mbeki until 2009 and was also on the Board of the Council for Medical Schemes from 2008 to 2011.



See page 144 and this page for the *curricula vitae* for other Independent Non-executive Directors standing for re-election to the Audit and Risk Committee. Mr F Abbott is not standing for re-election to the Audit and Risk Committee.

NOTICE OF ANNUAL GENERAL MEETING continued

ANNEXURES

Explanatory note relating to ordinary resolution number 8: Election of Audit and Risk Committee members

Ordinary resolution number 8 is proposed to provide for the election of Audit and Risk Committee members. Section 94(2) of the Companies Act and Principle 8 of the King IV Report on Corporate Governance for South Africa, 2016 ("King IV™") require the shareholders of a public company to elect the members of an audit committee at each annual general meeting. In accordance therewith, a Nomination Committee should present shareholders with suitable candidates for election as audit committee members. The members of the Nomination Committee satisfied themselves that, inter alia, the Independent Non-executive Directors offering themselves for election as members of the Audit and Risk Committee:

- o have the necessary knowledge and capacity and are Independent Non-executive Directors as contemplated in the Companies Act and the JSE Listings Requirements;
- o have the necessary knowledge and capacity and are suitably qualified and experienced for Audit and Risk Committee membership (see the *curricula vitae* on pages 144 to 145 of this Notice of Annual General Meeting);
- o have an understanding of integrated annual reporting (including financial reporting), internal financial controls, external and internal audit processes, risk management, sustainability issues and the governance process within the Group;
- o collectively possess skills which are appropriate to the Group's size and circumstance, as well as its industry;
- o have an understanding of International Financial Reporting Standards and other financial and sustainability reporting standards, regulations and guidelines applicable to the Group; and
- o adequately keep up to date with key developments affecting their required skills set.

The Nomination Committee recommended that the Board recommend to the shareholders the election of those Audit and Risk Committee members who offer themselves for election. For further details regarding the performance of the Audit and Risk Committee during the period under review, please refer to the Report of the Audit and Risk Committee which appears on pages 2 to 4 of the 2018 Annual Financial Statements.

Explanatory note relating to ordinary resolutions number 10 and number 11: Non-binding advisory votes

Paragraph 3.84(k) of the JSE Listings Requirements and King IV™, Principle 14, Recommended Practice 37 provides that the Remuneration Policy and the Remuneration Implementation Report be tabled every year for separate non-binding advisory votes by shareholders at the Annual General Meeting. Ordinary resolution number 10 is proposed to provide for a non-binding advisory vote on the Company's Remuneration Policy, which can be found on page 117.

Ordinary resolution number 11 is proposed to provide for a non-binding advisory vote on the Company's Remuneration Implementation Report, which can be found on page 126.

King IV™ provides that, in the event that either the Remuneration Policy or the Remuneration Implementation Report, or both, were voted against by 25% or more of the voting rights exercised, the following should be disclosed in the background statement of the Remuneration Report succeeding the voting:

- o the shareholders with whom the Company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and
- o the nature of steps taken to address legitimate and reasonable objections and concerns.

The Board will take the outcome of the votes into consideration when considering the Company's Remuneration Policy and the implementation thereof.

Explanatory note relating to ordinary resolution number 9: Adoption of the 2018 Conditional Share Plan

Salient features of the proposed 2018 Conditional Share Plan are set out below.

SALIENT FEATURES: AFRICAN RAINBOW MINERALS LIMITED 2018 CONDITIONAL SHARE PLAN**Introduction**

In line with local and global best practice, African Rainbow Minerals Limited ("ARM" or "the Company") intends to adopt a new share plan, namely the African Rainbow Minerals Limited Conditional Share Plan ("CSP") to attract, incentivise, motivate and retain the right calibre of executives and senior management.

The CSP provides Participants with the opportunity to be Awarded Conditional Shares with Performance Conditions in the Company so as to enable the Participants with the opportunity to share in the success of the Company and provide alignment between the Participants and shareholders.

Where terms are capitalised, these terms bear the defined meaning as per the definitions contained in the CSP Rules.

The salient features of the CSP are detailed below.

Purpose

The CSP will be primarily used as an incentive for Participants to deliver the Company's business strategy over the long term. The purpose of the CSP is to incentivise, motivate and retain executives and senior management through the Award of Conditional Shares, the Vesting of which is subject to the satisfaction of Performance Conditions and the Employment Condition in line with the Company's approach to performance related incentives.

The Performance Conditions applicable to the Conditional Shares are approved by the Board annually and specifically included in the Conditional Share Award Letters. The Employment Condition is the requirement for continued employment of the Participant by ARM for the duration of a certain number of years from the date of the Award.

Participants

Participation in terms of the CSP may include any eligible employees holding a permanent salaried employment or office with the Company excluding any non-executive director of the Company. Participation in the CSP is not a condition of employment, and the Board has the absolute discretion to make an Award to any employee in terms of the CSP.

Rights of Participants

Participants will not be entitled to any shareholder rights after the Vesting of Awards (which occurs at the end of the Vesting period to the extent that applicable Conditions have been met) but will be entitled to shareholder rights on the Settlement of the Awards. On Settlement, Shares will be registered in the name of the Participants and they will have all shareholder rights, including dividend and voting rights.

Basis of Awards and Award levels

In line with the requirements of the King IV Report on Corporate Governance for South Africa ("King IV™") and best practice, the CSP will be used to make the following Awards:

- o regular, annual Awards of Conditional Shares will be made on a consistent basis to ensure long-term shareholder value creation;
- o Awards of Conditional Shares will be made to match any portion of a Participant's bonus which is voluntarily deferred in accordance with Remuneration Policy; and
- o In addition to regular annual Awards, interim Awards of Conditional Shares may also be made in terms of the CSP.

The number of Conditional Shares Awarded to Participants will primarily be based on *inter alia* the Employee's salary, grade, individual performance, retention requirements and market benchmarks (as applicable).

The initial Award levels will be determined based on a Participant's job level and calculated as a multiple of their cost to company, which multiple will be determined by Remuneration Policy, informed by market benchmarks. Award levels may be adjusted at the discretion of the Board, provided that they remain in line with market benchmarks.

Overall Award levels will be decided by the Board each time Awards are made, by taking into account the particular circumstances at that time e.g. Company affordability, retention considerations, and exceptional Company performance.

The Remuneration Policy for the first award of Conditional Shares, at on-target at-grant levels is as follows:

- o Executive Chairman: 2.0 x total cost-to-company
- o Chief Executive Officer: 1.67 x total cost-to-company
- o Finance Director and other Executive Directors: 1.33 x total cost-to-company
- o Other senior executives: 1.0 x total cost-to-company

Annual allocations will be benchmarked and set to a market-related level of remuneration whilst considering the overall affordability thereof to the Company.

Performance Conditions and Vesting

Conditional Shares will be subject to the fulfilment of both the pre-determined Performance Conditions over the Performance Period and the Employment Condition over an Employment Period of at least three years, for Vesting to occur.

The first award of Conditional Shares will be made to the Participants subject to the following Performance Conditions, measured over a three-year Performance Period:

NOTICE OF ANNUAL GENERAL MEETING continued

Performance Conditions	Weight	Threshold	Target	Stretch
Relative Total Shareholder Return (TSR) against a comparator group of 20 mining companies (excluding gold and diamond mining companies).	25%	The Threshold and Target is set at the Median of the Comparator Group (100% vesting)		The Upper Quartile of the Comparator Group (200% vesting)
Average Free Cash Flow Return on Equity USD Operating Free Cash Flow/USD Equity over the three-year Performance Period, where: Operating Free Cash Flow (for the year) is defined as follows: Net increase/decrease in cash and cash equivalents Plus dividends paid to shareholders and non-controlling interest Plus expansion capital expenditure Plus repayments of debt	25%	The USD Cost of Equity of the Company (50% vesting)	The USD Cost of Equity of the Company +3% (100% vesting)	The USD Cost of Equity of the Company +6% (200% vesting)
Consistent and sustainable cost performance as measured against the Mining Producer Price Index ("PPI"). The compound annual growth rate of the Unit Costs of the Company over the three year Performance Period compared to Mining PPI.	25%	Increase equal to Mining PPI (50% vesting)	90% of the increase equal to Mining PPI (100% vesting)	80% of the increase equal to Mining PPI (200% vesting)
Sustainable business Improved safety performance as measured by the lost time injury frequency rate ("LTIFR")	10%	Improvement of 3% over the period (50% vesting)	Improvement of 4% over the period (100% vesting)	Improvement of 5% over the period (200% vesting)
Improvement in the BBBEE Score	10%	Maintain current level (50% vesting)	Improvement of 2% (100% vesting)	Improvement of 5% (200% vesting)
Environmental compliance	5%	No Material Incidents (100%)	No Material Incidents (100%)	No Material Incidents (100%)

There will be 0% vesting for the applicable performance measure in the case that performance for that measure is below Threshold. Linear interpolation will be applied for the performance between Threshold and Target, and Target Stretch. Vesting is capped at 200% for performance at and above Stretch.

The Board will set appropriate Performance Conditions, Performance Periods, Employment Conditions and Employment Periods, as relevant, for each Award, taking into account the business environment at the time of making the Awards, and where considered necessary, in consultation with shareholders. Each of these details of the Award will be agreed with the Participants in terms of individual Award Letters.

Dividend Equivalent Shares

Dividend Equivalent Shares in respect of Conditional Shares, as determined by the Board and specified in the Award Letter, may be Awarded to Participants. These Dividend Equivalent Shares are a number of Shares, rounded down to the nearest whole number in the case of fractions, equal in value to the dividends that a Participant would have earned if he/ she was the owner of the number of Vested Shares from the Award Date to the Vesting Date, determined upon the Vesting Date of the Conditional Shares with reference to the dividend record dates occurring in that period.

The number of Dividend Equivalent Share Awards to be made on all dividends declared after the Award Date but before Settlement, shall be the value of each such dividend declared

by the Company, divided by the 20 day volume weighted average (“VWAP”) of the Share price immediately after the Share trades ex dividend.

Manner of Settlement

Following the Vesting Date of an Award, Settlement of the Shares shall take place within 30 (thirty) days of the Vesting Date. The Rules of the CSP are flexible in order to allow for Settlement in any of the following manners:

- use of existing Shares held in treasury;
- issue of Shares by the Company; and
- as a fall-back provision, in cash.

The exact method of Settlement will be determined by the Board upon Settlement of each Award.

Limits and adjustments

Overall Company limit

The aggregate number of Shares which may be Allocated in respect of the CSP to all Participants will not exceed 10,985,514 (Ten Million, Nine Hundred and Eighty Five Thousand, Five Hundred and Fourteen) Shares, which represents approximately 5% of the number of issued ordinary Shares as at the date of adoption of the CSP by shareholders. This is in line with market best practice.

In determining the utilisation of the limit for the CSP, Shares issued by the Company or Shares held in a treasury account which have been used by the Company for Settlement of the CSP, will be included in the Company limit. This limit will be calculated to exclude Awards under the CSP which do not vest to a Participant as result of their forfeiture. The Board must, where required, adjust the Company limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the Shares of the Company, a Capitalisation Issue, a dividend in specie (other than a dividend paid in the ordinary course of business out of the current year's retained earnings), a Rights Issue or a scheme of arrangement as contemplated in section 114 of the Act, including a reduction in the capital of the Company.

Individual Limit

The maximum number of Shares which may be Allocated to an individual in respect of all Awards under the CSP shall not exceed 2,197,103 (Two Million, One Hundred and Ninety-Seven Thousand, One Hundred and Three) Shares, which represents approximately 1.0% of the number of issued Shares as at date of adoption of the CSP by shareholders. The Board may, where required, adjust the individual limit to take account of a Capitalisation Issue, a dividend in specie (other than a dividend paid in the ordinary course of business out of the current year's retained earnings), a Rights Issue or a scheme of arrangement as contemplated in section 114 of the Companies Act 71 of 2008, or reduction in capital of the Company.

The auditors, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the Rules of the CSP and must be reported on in the Company's financial statements in the year during which the adjustment is made. The issue of Shares as consideration for an acquisition, and the issue of Shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the overall Company limit and individual limit.

Consideration

The Participant will give no consideration for the Award or Settlement of any Awards or Shares in terms of the CSP.

Malus

The Board may in its discretion, reduce the Award in whole or in part (including, for the avoidance of doubt, to nil), should a Trigger Event occur at any time before the Vesting of an Award, to which the Board has specified that Malus applies. Whenever a reduction is made, the relevant Award or portion, as relevant, shall be treated as having lapsed.

Clawback

The Board may in its discretion after an Award has already been paid, Vested, Settled or otherwise made available and a Trigger Event occurs, recoup the cash value of the Settled Award from any Participant in whole or in part (including, for the avoidance of doubt, to nil). This is governed in terms of the Company's Malus and Clawback Policy.

Termination of employment

Termination of Employment due to misconduct, dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct or conduct against the interest of the Company or its shareholders, resignation, abscondment or early retirement (except where classified as a normal Retirement by the Board), will be classified as a “fault termination” resulting in the forfeiture of all unvested Awards of Conditional Shares.

Termination of Employment due to death, ill-health, injury, disability, retrenchment, and retirement (except to the extent that is constitutes fault termination as set out above), or the sale of the Company will be classified as a “no fault termination” and a portion of the Participant's unvested Award(s) of Conditional Shares shall Vest on Date of Termination of Employment.

If the Participant's employment is terminated due to retrenchment, Retirement, ill-health, injury, disability or sale of the Company, the Board will calculate whether and the extent to which the Performance Conditions have been satisfied on the Date of Termination of Employment. The portion of the Award which shall Vest will be determined based on the extent to which the Performance Conditions have been satisfied, pro-rated for the number of the complete months served since the Award Date to the Date of Termination of Employment over the total number of months in the Employment Period.

NOTICE OF ANNUAL GENERAL MEETING continued

The portion of the Award that does not Vest will lapse on the Date of Termination of Employment.

Provision is made in the Rules for Board discretion where Termination of Employment occurs in terms of exceptional circumstances.

Change of Control

In the event of a Change of Control of the Company occurring before the Vesting Date of any Award, a portion of the Award will Vest. The portion of the Award which shall vest will be determined based on the number of months served since the Award Date to the Change of Control Date, over the total number of months in the Employment Period and the extent to which the Performance Conditions, if applicable, have been met on the Change of Control Date.

The portion of the Award which does not Vest as a result of the Change of Control will, except on the termination of the CSP, continue to be subject to the terms of the Award Letter, unless the Board determines otherwise.

Awards will not Vest as a consequence of an internal reconstruction or similar event which is not a Change of Control as defined in the Rules of the CSP. In this case, the Board may take such action as it considers appropriate to protect the interests of Participants, including converting Awards into awards in respect of Shares in one or more of the other companies, provided the Participants are no worse off.

Variation of share capital

In the event of a variation in share capital such as a Capitalisation Issue, a Rights Issue, Subdivision of Shares, a Consolidation of Shares, the Company entering into a scheme of arrangement as contemplated in Section 114 of the Companies Act or the Company making distributions, including a reduction of capital and distribution in specie, other than a dividend paid in the ordinary course of business, Participants shall continue to participate in the CSP. The Board may make such adjustment to the number of unvested Awards or take such other action to place Participants in no worse a position than they were prior to the happening of the relevant event.

The issuing of Shares as consideration for an acquisition, and the issuing of Shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Awards.

Liquidation

If the Company is placed into liquidation, other than for purposes of reorganisation, an Award of Conditional Shares and any Dividend Equivalent Shares shall ipso facto lapse as from the Liquidation Date.

Amendment

The Board may alter or vary the Rules of the CSP as it sees fit, however in the following instances the CSP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- the category of persons who are eligible for participation in the CSP;
- the number of Shares which may be utilised for the purpose of the CSP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which Awards are made;
- the amount payable upon the Award, Settlement or Vesting of an Award;
- the voting, dividend, transfer and other rights attached to the Awards, including those arising on a liquidation of the Company;
- the adjustment of Awards in the event of a variation of capital of the Company or a Change of Control of the Company; and
- the procedure to be adopted in respect of the Vesting of Awards in the event of Termination of Employment.

General

The Rules of the CSP are available for inspection during normal business hours at the registered office of the Company from the date of issue of the Integrated Annual Report of which the Notice Annual General Meeting forms part, up to and including the date of the Annual General Meeting.

In order for the Ordinary Resolution number 9 to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.