

# 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 84<sup>th</sup> Annual General Meeting of shareholders of the Company will, subject to any cancellation, postponement or adjournment, be held on Friday, 1 December 2017 at 14:00 South African time, in Boardrooms 6/7, 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, 13 October 2017.

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, 24 November 2017 ("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, 21 November 2017.

## 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 2017, as set out on pages 19 to 106 in the 2017 Annual Financial Statements, including the Directors', Audit and Risk Committee and Independent Auditor's Reports.

The 2017 Integrated Annual Report and the 2017 Annual Financial Statements are available on the Company's website: [www.arm.co.za](http://www.arm.co.za).

## SOCIAL AND ETHICS COMMITTEE REPORT

To present the Report of the Social and Ethics Committee as set out on pages 100 to 101 in the 2017 Integrated Annual Report in terms of Regulation 43(5)(c) of the Regulations promulgated in terms of the Companies Act.

## RE-ELECTION OF NON-EXECUTIVE DIRECTORS

Ordinary resolutions numbers 1 to 3 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 132 to 133 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 Mr J A Chissano

1. "Resolved that Mr J A Chissano, 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 Z B Swanepoel

2. "Resolved that Mr Z B Swanepoel, 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 Dr R V Simelane

3. "Resolved that Dr R V Simelane, 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 NON-EXECUTIVE DIRECTORS

Ordinary resolutions numbers 4 to 6 are proposed to elect Directors who were appointed between Annual General Meetings and whose term of office terminates in accordance with the Company's Memorandum of Incorporation. These Directors' *curricula vitae* appear on pages 132 to 133 of this Notice of Annual General Meeting. The Board of Directors recommends the election of these Directors.

### Ordinary resolution number 4

#### – Election of Mr J P Möller

4. "Resolved that Mr J P Möller, 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 himself 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.

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**Ordinary resolution number 5****– Election of Mr D C Noko**

5. “Resolved that Mr D C Noko, 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 himself 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.

**Ordinary resolution number 6****– Election of Mr J C Steenkamp**

6. “Resolved that Mr J C Steenkamp, 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 himself 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 reappointment 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 2018, 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 reappointed as the designated auditor for the financial year ending 30 June 2018, 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 134. 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 132 to 133 of the Notice of Annual General Meeting.

8. “Resolved that 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
- 8.2 Mr F Abbott
- 8.3 Dr M M M Bakane-Tuoane
- 8.4 Mr A D Botha
- 8.5 Mr A K Maditsi
- 8.5 Mr J P Möller\*
- 8.7 Dr R V Simelane\*

\* Subject to their election or re-election as Directors pursuant to Ordinary resolutions number 3 and number 4 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.

**REMUNERATION POLICY****Ordinary resolution number 9****– Non-binding advisory vote on the Company’s Remuneration Policy**

Ordinary resolution number 9 is proposed for the purpose set out in the Annexure on page 134.

9. “Resolved that shareholders endorse, by way of a non-binding advisory vote, the Company’s Remuneration Policy, as set out on pages 86 to 92.”

**REMUNERATION IMPLEMENTATION REPORT****Ordinary resolution number 10****– Non-binding advisory vote on the Company’s Remuneration Implementation Report**

Ordinary resolution number 10 is proposed for the purpose set out in the Annexure on page 134.

10. “Resolved that shareholders endorse, by way of a non-binding advisory vote, the Company’s Remuneration Implementation Report, as set out on pages 93 to 99.”

**REMUNERATION OF NON-EXECUTIVE DIRECTORS**

Special resolutions numbers 1, 2 and 3 are proposed to ensure that Non-executive Directors’ fees attract and retain Non-executive Directors.

### Special resolution number 1

#### – Authorising payment of an additional amount for value-added tax (VAT) on Non-executive Directors' fees

Special resolution number 1 is proposed to authorise the payment of an additional amount for value-added tax ("VAT") on Non-executive Directors' fees, as more fully explained in the Annexure.

11. "Resolved that the Company be and is hereby authorised to make payment, in addition to the remuneration for Non-executive Directors authorised by shareholders by special resolution at the Annual General Meeting of 2 December 2016 ("2016 authority"), of an additional fee equal to the amount of any value-added tax ("VAT") levied by the South African Revenue Service on the supply of services by a Non-executive Director, plus VAT thereon, to each Non-executive Director who is liable to charge and account for VAT on the remuneration authorised under the 2016 authority, for any period after 1 June 2017 in accordance with the South African Revenue Service Binding General Ruling (VAT) 41."

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 an additional amount to Non-executive Directors who are now liable to pay VAT on the fees already authorised by shareholders and payable for any period after 1 June 2017, in accordance with the South African Revenue Service Binding General Ruling (VAT) 41.

### Special resolution number 2

#### – Increase in annual retainer fees and per Board meeting attendance fees

12. "Resolved that, in respect of Non-executive Directors in office on and after 1 July 2017 (and this resolution shall in respect of periods on and after that date be deemed to supersede and replace all prior authorising resolutions in relation to the category of Non-executive Directors remuneration contemplated herein), and which 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, the Company be and is authorised to pay, on a quarterly basis or otherwise as the Board may determine from time to time, the annual retainer fees and per Board meeting attendance fees for Non-executive Directors as set out in the table below, which fees (i) are 5% higher (rounded to the nearest R50) than the fees authorised by the special resolution of shareholders at the Annual General Meeting of 2 December 2016; and (ii) shall be pro-rated for periods of less than a full year:

	Proposed Fees with effect from 1 July 2017 (excluding VAT)* (Rand)**		Fees effective 1 July 2016 (Rand)	
	Annual	Per meeting	Annual	Per meeting
Lead Independent Non-executive Director	533 700	20 400	508 300	19 450
Independent Non-executive Director	425 800	20 400	405 500	19 450
Non-executive Director	340 750	20 400	324 500	19 450

\* In terms of the South African Revenue Service Binding General Ruling (Income Tax) 40 read with Binding General Ruling (VAT) 41 issued under section 89 of the Tax Administration Act 285 of 2011, with effect from 1 June 2017, a Non-executive Director is regarded as carrying on an enterprise and is required to register and levy VAT in respect of any Directors' fees paid to a Non-executive Director for services rendered in that capacity on a company's board. Accordingly, a Non-executive Director who (i) is liable to register for VAT but has not done so yet, must register and account for VAT with effect from 1 June 2017 and/or (ii) was actually registered for VAT before 1 June 2017 for other activities, but did not charge VAT on the Non-executive Director's fees must charge VAT with effect from 1 June 2017.

\*\* Effective 1 July 2017, should the increase 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 increased remuneration to Non-executive Directors for services rendered in their capacity as Directors and to ensure that Non-executive Directors' fees attract and retain Non-executive Directors. The fees reflected above amount to a 5% increase on the previous year and are exclusive of VAT, if any. This resolution, if approved, shall from 1 July 2017 supersede and replace the corresponding resolution passed at the Annual General Meeting in December 2016.

### Special resolution number 3

#### – Increase in the Committee meeting attendance fees

13. "Resolved that in respect of Non-executive Directors in office on and after 1 July 2017 (and this resolution shall in respect of periods on and after that date be deemed to supersede and replace all prior authorising resolutions in relation to the category of Non-executive Directors remuneration contemplated herein), and which 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, the Company be and is authorised to pay, on a quarterly basis or otherwise as the Board may determine from time to time, the per Committee meeting attendance fees for Non-executive

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Directors as set out in the table below, which fees are 5% higher (rounded to the nearest R50) than the fees authorised by the special resolution of shareholders at the Annual General Meeting of 2 December 2016:

	Proposed with effect from 1 July 2017 per meeting attendance fees (excluding VAT)* (Rand)**	Effective 1 July 2016 per meeting attendance fees (Rand)
<b>Audit and Risk Committee</b>		
Chairman	106 400	101 350
Member	42 600	40 550
<b>Investment Committee, Nomination Committee, Remuneration Committee and Social and Ethics Committee</b>		
Chairman	41 800	39 800
Member	27 850	26 500

\* In terms of the South African Revenue Service Binding General Ruling (Income Tax) 40 read with Binding General Ruling (VAT) 41 issued under section 89 of the Tax Administration Act 285 of 2011, with effect from 1 June 2017, a Non-executive Director is regarded as carrying on an enterprise and is required to register and levy VAT in respect of any Directors' fees paid to a Non-executive Director for services rendered in that capacity on a company's board. Accordingly, a Non-executive Director who (i) is liable to register for VAT but has not done so yet, must register and account for VAT with effect from 1 June 2017 and/or (ii) was actually registered for VAT before 1 June 2017 for other activities, but did not charge VAT on the Non-executive Director's fees must charge VAT with effect from 1 June 2017.

\*\* Effective 1 July 2017, should the increase 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 3

The reason for and effect of special resolution number 3 is to approve the payment of increased remuneration 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 amount to a 5% increase on the previous year and are exclusive of VAT, where applicable. This resolution, if approved, shall from 1 July 2017 supersede and replace the corresponding resolution passed at the Annual General Meeting in December 2016.

### 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 4

#### – Financial assistance – For subscription for securities

14. "Resolved that the provision of direct or indirect financial assistance in terms of Section 44 of the Companies Act by the Company to 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) or to any person who is a participant in any of the Company's share or any employee incentive schemes, for the purpose of, or in connection with, the subscription for or purchase of any securities, issued or to be issued by the Company or related or inter-related company, 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 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 5

#### – Financial assistance – For related or inter-related companies

15. "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, to any company or corporation which is related or inter-related to the Company (as defined in the

Companies Act), 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.

## **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, has been reasonably verified. Acceptable forms of identification include valid identity documents, driver's licences or passports.

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, 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.

## **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”) 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](mailto:Proxy@computershare.co.za)).

## **DEMATERIALISED SHAREHOLDERS**

Shareholders who have dematerialised their shares (other than those with own name registrations) should provide their Central Securities Depository Participant (“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.

By order of the Board

**Ms A N D'Oyley**  
Company Secretary

10 October 2017

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## CURRICULA VITAE

### ORDINARY RESOLUTIONS NUMBER 1 TO NUMBER 3

#### **JOAQUIM CHISSANO** <sup>77</sup>

PhD

**Independent Non-executive Director**

**Member of the Nomination Committee and the Non-executive Directors' Committee**

**Appointed to the Board in 2005.**

Joaquim Chissano is a former President of Mozambique who has served that country in many capacities, initially as a founding member of the Frelimo movement during that country's struggle for independence. Subsequent to independence in 1975, he was appointed foreign minister and on the death of Samora Machel in 1986 assumed the office of President. Frelimo contested and won the multiparty elections in 1994 and 1999, returning Joaquim to the presidency on both occasions. He declined to stand for a further term of office in 2004. His presidency commenced during a devastating civil war and ended with the economy in the process of being reconstructed. He served a term as Chairman of the African Union from 2003 to 2004. Joaquim is also a Non-executive Director on Harmony's board. In 2006, Joaquim was awarded the annual Chatham House Prize, which is awarded for significant contributions to the improvement of international relations. He was the recipient of the inaugural Mo Ibrahim Prize for Achievement in African Leadership in 2007.

#### **BERNARD SWANEPOEL** <sup>56</sup>

BSc (Min Eng), BCom (Hons)

**Independent Non-executive Director**

**Chairman of the Investment Committee and a Member of the Social and Ethics Committee and the Non-executive Directors' Committee**

**Appointed to the Board in 2003.**

Bernard Swanepoel started his career with Gengold in 1983, culminating in his appointment as General Manager of Beatrix Mines in 1993. He joined Randgold in 1995 as Managing Director of the Harmony Mine. He was appointed Chief Executive Officer of Harmony in 1997. In August 2007 he left Harmony to start To-the-Point Growth Specialists. Bernard is a Non-executive Board member of various companies including Zimplats Limited and Impala Platinum Holdings Limited.

#### **DR REJOICE SIMELANE** <sup>65</sup>

BA (Economics and Accounting), MA, PhD (Econ), LLB (UNISA)

**Independent Non-executive Director**

**Chairman of 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.**

Dr 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 Adviser, 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.

## ORDINARY RESOLUTIONS NUMBER 4 TO NUMBER 6

#### **KOBUS MÖLLER** <sup>58</sup>

BCom (cum laude), BCompt (Hons), CA(SA), AMP (Harvard)

**Independent Non-executive Director**

**Member of 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.

#### **J C STEENKAMP** <sup>63</sup>

National Mining Diploma, EDP

**Non-executive Director**

**Member of Non-executive Directors' Committee**

**Appointed to the Board in 2017.**

Jan Steenkamp started his career with the Anglovaal Group in 1973. Trained as a mining engineer, he has worked at and managed group mining operations within the gold, copper, manganese, iron ore and chrome sectors. He was appointed as Managing Director of Avgold Limited in September 2002 and also served on the board of Assmang Limited. In May 2003, Jan was appointed to the Avmin board and was appointed Chief Executive Officer of Avmin on 1 July 2003 after serving as Chief Operating Officer. He later served as the Chief Executive of ARM Ferrous and the Chief Executive of ARM Exploration and Strategic Services, prior to his retirement from ARM in June 2017.

#### **D C NOKO** <sup>60</sup>

Dipl (Mech Eng), MDP, MBA, SEP (LBS)

**Independent Non-executive Director**

**Member of Non-executive Directors' Committee**

**Appointed to the Board in 2017.**

David Noko is a South African born internationally renowned business leader.

He worked for South African Breweries, Pepsi Cola International and in senior and executive roles at Air Chefs (Pty) Ltd and De Beers Consolidated Mines Ltd. Currently an Executive at AngloGold Ashanti Ltd, Mr Noko is responsible for the Group Sustainable Development portfolio.

A member of the Institute of Directors, Mr Noko's experience, qualifications and business acumen have seen him serve on boards of several prominent companies. He served on the boards of Royal Bafokeng Platinum Limited, Harmony Gold and AstraPak Ltd.

**ORDINARY RESOLUTION NUMBER 8\*****TOM BOARDMAN** <sup>67</sup>**BCom, CA(SA)****Independent Non-executive Director****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 is a Non-executive Director of Nedbank Group, Woolworths Holdings and Royal Bafokeng Holdings. Tom has also been appointed as a Non-executive Director of Kinnevik, a listed Swedish investment company. He is a Director of The Peace Parks Foundation and is the Chairman of The David Rattray Foundation and serves as a trustee on a number of other charitable foundations.

**FRANK ABBOTT** <sup>62</sup>**BCom, CA(SA), MBL****Independent Non-executive Director****Member of the Audit and Risk Committee, Investment Committee, the Non-executive Directors' Committee and the Remuneration Committee****Appointed to the Board in 2004.**

Frank Abbott joined the Rand Mines Group in 1981, where he obtained broad financial management experience at an operational level. He was a Director of various listed gold mining companies and was appointed as Financial Director of the Harmony Gold Mining Company in 1997. Frank was appointed Financial Director of ARM in 2004 and retired in 2009. He is now an Independent Non-executive Director of ARM. Frank was appointed as the Financial Director of Harmony with effect from 7 February 2012.

**DR MANANA BAKANE-TUOANE** <sup>69</sup>**BA (Economics and Statistics), MA (Econ), PhD (Econ)****Independent Non-executive Director****Chairman of the Remuneration Committee and a Member of the Audit and Risk Committee, the Nomination Committee, the Non-executive Directors' 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 serves as a non-executive director of Sanlam Limited and Sanlam Life Committee membership: Nominations, Human resources and Remuneration, Customer Interest Committee. 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** <sup>64</sup>**BCom (Marketing), BProc, BCom (Hons), SEP (Stanford)****Independent Non-executive Director****Member of the Audit and Risk Committee, the Investment Committee, the Non-executive Directors' Committee and the Remuneration 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 JSE Limited, the University of Pretoria, Vukile Property Fund Limited (Chairman), Sanlam Limited and certain Sanlam subsidiaries. He is a past president of the AHI (Afrikaanse Handelsinstituut). Anton spent most of his career as Chief Executive Officer of Gensec Limited, building it into a leading South African investment banking group that became a wholly-owned subsidiary of Sanlam Limited in 2000.

**ALEX MADITSI** <sup>55</sup>**BProc, LLB, H Dip 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 Bidvest Group Limited and Sterling Debt Recoveries (Pty) Ltd.



See page 132 for the *curricula vitae* for Dr R V Simelane and Mr J P Möller.

## NOTICE OF ANNUAL GENERAL MEETING continued

**ANNEXURE****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:

- > have the necessary knowledge and capacity and are Independent Non-executive Directors as contemplated in the Companies Act and the JSE Listings Requirements;
- > have the necessary knowledge and capacity and are suitably qualified and experienced for Audit and Risk Committee membership (see the *curricula vitae* on pages 132 to 133 of this Notice of Annual General Meeting);
- > 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;
- > collectively possess skills which are appropriate to the Group's size and circumstance, as well as its industry;
- > have an understanding of International Financial Reporting Standards and other financial and sustainability reporting standards, regulations and guidelines applicable to the Group; and
- > 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 2017 Annual Financial Statements.

**Explanatory note relating to ordinary resolutions number 9 and number 10: non-binding advisory votes**

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 9 is proposed to provide for a non-binding advisory vote on the Company's Remuneration Policy, which can be found on pages 86 to 92.

Ordinary resolution number 10 is proposed to provide for a non-binding advisory vote on the Company's Remuneration Implementation Report, which can be found on pages 93 to 99.

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:

- > the shareholders with whom the Company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and
- > 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 special resolution number 1: Authorising payment of an additional amount for value-added tax (VAT) on Non-executive Directors' fees**

In terms of the South African Revenue Service Binding General Ruling (Income Tax) 40 read with Binding General Ruling (VAT) 41 issued under section 89 of the Tax Administration Act 285 of 2011, with effect from 1 June 2017, a Non-executive Director is regarded as carrying on an enterprise and is required to register and levy VAT in respect of any Directors' fees paid to a Non-executive Director for services rendered in that capacity on a company's board. Accordingly, a Non-executive Director who (i) is liable to register for VAT but has not done so yet, must register and account for VAT with effect from 1 June 2017 and/or (ii) was actually registered for VAT before 1 June 2017 for other activities, but did not charge VAT on the Non-executive Director's fees, must charge VAT with effect from 1 June 2017.

The Board recommends to shareholders of the Company that the Company be authorised to make a payment of an additional amount compensating for VAT on Non-executive Directors' fees, in addition to the remuneration for Non-executive Directors authorised by shareholders by special resolution at the Annual General Meeting held on 2 December 2016.



# FORM OF PROXY

**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")

**A shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the Company) to attend, speak and vote or abstain from voting in the place of that shareholder at the Annual General Meeting.**

Shareholders who have dematerialised their shares (other than those with own name registrations) should provide their Central Securities Depository Participant ("CSDP") or broker with their voting instructions in terms of the custody agreement entered into with their relevant CSDP or broker. Should such shareholders wish to attend the Annual General Meeting of the Company, 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 and vote their ARM shares.

**For completion by shareholders who have not yet dematerialised their shares or who have dematerialised their shares with own name registration.**

Shareholders who have not yet dematerialised their shares or who have dematerialised their shares with own name registration ("Entitled Shareholders") may appoint one or more proxies to attend, speak and vote or to abstain from voting in the place of that shareholder such shareholder's stead. The person so appointed need not be a shareholder of the Company. This form of proxy is for the use of those Entitled Shareholders who wish to be so represented. Such Entitled Shareholders should complete this form of proxy in accordance with the instructions contained herein and return it to the transfer secretaries, to be received by the time and date stipulated herein.

If you are unable to attend the 84<sup>th</sup> Annual General Meeting of shareholders of the Company convened for Friday, 1 December 2017 at 14:00, South African time, but wish to be represented thereat you may complete and return this form of proxy as soon as possible, to be received by 14:00, South African time, on Wednesday, 29 November 2017 (or 48 hours before the time appointed for holding of any adjourned meeting) for administrative purposes. Nevertheless, completed forms of proxy may be lodged with the Chairman of the Annual General Meeting, at the venue of the Annual General Meeting, prior to the Annual General Meeting so as to reach the Chairman of the meeting by no later than immediately prior to the commencement of voting on the resolutions to be tabled at the Annual General Meeting.

I/We \_\_\_\_\_ (name in block letters)

of \_\_\_\_\_ (address)

(email) \_\_\_\_\_ (cell number) \_\_\_\_\_

being holder of \_\_\_\_\_ shares in the issued share capital of

the Company, do hereby appoint \_\_\_\_\_

or failing him/her, \_\_\_\_\_

or failing him/her, the Executive Chairman of the Board of Directors, or failing him/her the Chairman of the meeting, as my/our proxy to vote for me/us on my/ our behalf at the Annual General Meeting of the Company to be held at 14:00, South African time, on Friday, 1 December 2017 and at any cancellation, postponement or adjournment thereof and in particular in respect of the following resolutions:

Indicate with an X in the spaces below how votes are to be cast

	For	Against	Abstain
<b>Ordinary Business</b>			
1. Ordinary Resolution number 1: To re-elect Mr J A Chissano as a Director			
2. Ordinary Resolution number 2: To re-elect Mr Z B Swanepoel as a Director			
3. Ordinary Resolution number 3: To re-elect Dr R V Simelane as a Director			
4. Ordinary Resolution number 4: To elect Mr J P Möller as a Director			
5. Ordinary Resolution number 5: To elect Mr D C Noko as a Director			
6. Ordinary Resolution number 6: To elect Mr J C Steenkamp as a Director			
7. Ordinary Resolution number 7: To re-appoint Ernst & Young Inc. as external auditor and to re-appoint Mr L I N Tomlinson as the person designated to act on behalf of the external auditor			
8. Ordinary Resolution number 8: To individually elect the following independent Non-executive Directors as members of the Audit and Risk Committee:			
8.1 Mr T A Boardman			
8.2 Mr F Abbott			
8.3 Dr M M M Bakane-Tuoane			
8.4 Mr A D Botha			
8.5 Mr A K Maditsi			
8.6 Mr J P Möller			
8.7 Dr R V Simelane			
9. Ordinary Resolution number 9: To endorse the Company's Remuneration Policy			
10. Ordinary Resolution number 10: To endorse the Company's Remuneration Implementation Report			
<b>Special Business</b>			
11. Special Resolution number 1: To authorise payment of an additional amount for value-added tax on Non-executive Directors' fees			
12. Special Resolution number 2: With effect from 1 July 2017, the annual retainer fees and the per Board meeting attendance fees of Non-executive Directors be increased as outlined on page 129 of the Notice of Annual General Meeting.			
13. Special Resolution number 3: With effect from 1 July 2017, the per Committee meeting attendance fees of Committee members be increased as outlined on pages 129 and 130 of the Notice of Annual General Meeting.			
14. Special Resolution number 4: To authorise the Directors to cause the Company to provide financial assistance by way of a loan, guarantee or the provision of security to the persons outlined on page 130 of the Notice of Annual General Meeting, subject to the provisions of the Companies Act 71 of 2008, as amended.			
15. Special Resolution number 5: To authorise the Directors to cause the Company to provide financial assistance to any company or corporation which is related or inter-related to the Company, subject to the provisions of the Companies Act 71 of 2008, as amended.			

**Number of shares**

Unless this section is completed for a lesser number, the Company is authorised to insert in the said section the total number of shares registered in my/our name(s).

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2017

Signature \_\_\_\_\_

Assigned by me (where applicable) \_\_\_\_\_

# NOTES TO THE PROXY

## INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

### Please read the notes below:

1. The completion and lodging of this form of proxy will not preclude the Entitled Shareholder who grants this proxy from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should he or she wish to do so.
2. Every shareholder present in person or represented by proxy and entitled to vote shall, on a show of hands, have only one vote and upon a poll every shareholder shall have one vote for every ordinary share held.
3. You may insert the name of any person(s) whom you wish to appoint as your proxy in the blank space(s) provided for that purpose. The person whose name appears first on the form of proxy and who is present at this meeting will be entitled to act as a proxy to the exclusion of those whose names follow.
4. When there are joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders for which purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding. Only that holder whose name appears first in the register need sign this form of proxy.
5. If the form of proxy is signed under the authority of a power of attorney or on behalf of a company or any other juristic person, then it must be accompanied by such power of attorney or a certified copy of the relevant enabling resolution or other authority of such company or other juristic person, unless proof of such authority has been recorded by the Company.
6. If the Entitled Shareholder does not indicate in the appropriate place on the face hereof how he or she wishes to vote in respect of a resolution, his or her proxy shall be entitled to vote as he or she deems fit in respect of that resolution.
7. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration must be signed, not initialled.
8. The Chairman of the meeting may, in his or her absolute discretion, reject any form of proxy which is completed other than in accordance with these instructions.
9. Forms of proxy, powers of attorney or any other authority appointing a proxy shall be deposited 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 +27 11 688 5238) (or emailed to Proxy@computershare.co.za) so as to be received not later than 14:00, South African time, on Wednesday, 29 November 2017 (or 48 hours before the time appointed for holding of any adjourned meeting). Nevertheless, completed forms of proxy may be lodged with the Chairman of the Annual General Meeting, at the venue of the Annual General Meeting, prior to the Annual General Meeting so as to reach the Chairman of the meeting by no later than immediately prior to the commencement of voting on the resolutions to be tabled at the Annual General Meeting.
10. No form of proxy shall be valid after the Annual General Meeting or any cancellation, postponement or adjournment thereof, as the case may be.
11. Summary in terms of Section 58(8)(b)(i) of the Companies Act 71 of 2008, as amended. Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by Section 58 of the Companies Act 71 of 2008, as amended, which summary is set out below:
  - > A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
  - > A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
  - > A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person.
  - > A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
  - > A shareholder may revoke a proxy appointment in writing.
  - > A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
  - > A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.