

## 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 81st Annual General Meeting of shareholders of the Company will, subject to any cancellation, postponement or adjournment, be held on Friday, 5 December 2014 at 14:00 South African time, in Boardroom 6/7, Sandton Convention Centre, 161 Maude Street (at the corner of Fifth and Maude Streets), Sandton, for the following business to be transacted and considering and, if deemed fit, approving, 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, 24 October 2014.

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, 28 November 2014 ("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 Friday, 21 November 2014.

### Presentation of financial statements

To present the annual financial statements of the Company and the Group, for the most recent financial year which ended on 30 June 2014 as set out on pages 180 to 250 in the 2014 Integrated Annual Report, including the Directors', Audit and Risk Committee and Independent Auditor's reports.

### Social and Ethics Committee Report

To present the report of the Social and Ethics Committee 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 – 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 in the 2014 Integrated Annual Report on pages 160 and 161. 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 Dr R V Simelane

2. "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.

#### Ordinary resolution number 3

##### – Re-election of Mr Z B Swanepoel

3. "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 votes cast by shareholders present or represented by proxy at the Annual General Meeting is required.

### Re-appointment of external auditors and re-appointment of designated auditor

#### Ordinary resolution number 4

##### – Re-appointment of auditors and re-appointment of designated auditor

Ordinary resolution number 4 is proposed to approve the re-appointment of Ernst & Young Inc. as the external auditors of the Company and to re-appoint Mr E A L Botha as the person designated to act on behalf of the external auditors for the financial year ending 30 June 2015 and to remain in office until the conclusion of the next Annual General Meeting.

5. "Resolved that the re-appointment of Ernst & Young Inc. as the external auditors of the Company be and is hereby approved and that Mr E A L Botha be and is hereby re-appointed as the designated auditor for the financial year ending 30 June 2015 and 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.

### Re-election of Audit and Risk Committee members

#### Ordinary resolution number 5

##### – Re-election of Audit and Risk Committee members

Ordinary resolution number 5 is proposed to re-elect Audit and Risk Committee members in terms of section 94(2) of the Companies Act and the King Report on Governance for South Africa 2009 (collectively, "King III") as more fully explained in the Annexure on page 267. The *curricula vitae* of those Independent Non-executive Directors offering themselves for re-election as members of the Audit and Risk Committee are included on pages 160 and 161 of the 2014 Integrated Annual Report.

5. "Resolved that shareholders re-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:

- 5.1 Mr T A Boardman
- 5.2 Dr M M M Bakane-Tuoane
- 5.3 Mr A D Botha
- 5.4 Mr A K Maditsi
- 5.5 Dr R V Simelane\*

\* Subject to her re-election as a Director pursuant to Ordinary Resolution number 2 above.

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

### Remuneration policy

#### Ordinary resolution number 6

##### – Non-binding advisory vote on ARM's Remuneration policy

Ordinary resolution number 6 is proposed for the purpose set out in the Annexure on page 267.

6. "Resolved that shareholders endorse, by way of a non-binding advisory vote, the Company's Remuneration report, including the Remuneration policy, as set out in the 2014 Integrated Annual Report on pages 144 to 155."

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.

### Amendments to the Company's Share Incentive Schemes – Increase of overall and individual limits and treatment of retiring participants

Ordinary resolutions numbers 7 and 8 are proposed for the purposes set out in the Annexure on pages 267 and 268.

#### Ordinary resolution number 7

##### – Amendment to the Scheme

7. "Resolved that the ninth amending deed to The African Rainbow Minerals Share Incentive Scheme, a copy of which has been labelled for identification purposes and tabled at the Annual General Meeting, be and is hereby approved."

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 2014 Integrated Annual Report; (ii) the Scheme and the registered amendments to the Scheme; (iii) the proposed ninth amendment to the Scheme; and (iv) a consolidated version of the Scheme, as previously amended, incorporating the proposed amendments to the Scheme.

In order for this resolution to be approved, the support of at least 75% of the voting rights exercised on this resolution is required, excluding voting rights attaching to securities owned or controlled by persons who are existing participants in the Scheme which

have been acquired in terms of the Scheme as well as the securities held by the Scheme.

#### Ordinary resolution number 8

##### – Amendment to the Share Plan

8. "Resolved that the 2014 amended version of The African Rainbow Minerals Limited 2008 Share Plan, a copy of which has been labelled for identification purposes and tabled at the Annual General Meeting, be and is hereby approved."

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 2014 Integrated Annual Report; (ii) the Share Plan; and (iii) the proposed amendments to the Share Plan.

In order for this resolution to be approved, the support of at least 75% of the voting rights exercised on this resolution is required, excluding voting rights attaching to securities owned or controlled by persons who are existing participants in the Share Plan which have been acquired in terms of the Share Plan as well as the securities held by the Share Plan.

### Remuneration of Non-executive Directors

Special resolutions numbers 1 – 4 are proposed to ensure that Non-executive Directors' fees attract and retain Non-executive Directors.

#### Special resolution number 1

##### – Increase in annual retainer fees

9. "Resolved that with effect from 1 July 2014, the annual retainer fees for Non-executive Directors be increased by 6% per annum (rounded to the nearest R50) from R353 700 to R374 900 per annum for Independent Non-executive Directors and from R283 000 to R300 000 per annum for Non-executive Directors."

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.

#### Special resolution number 2

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

10. "Resolved that with effect from 1 July 2014, the per Board meeting attendance fees for Non-executive Directors be increased by 6% per annum (rounded to the nearest R50) from R17 000 to R18 000 per meeting."

The Board meeting attendance fees are also paid for attendance at *ad hoc* Board meetings, site visits and other *ad hoc* meetings in respect of Board matters.

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.

#### Special resolution number 3

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

11. "Resolved that with effect from 1 July 2014, the per Committee meeting attendance fees for Non-executive Directors be increased as follows:

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	2014/2015 per Meeting Fees (Rand)*	2013/14 per Meeting Fees (Rand)**
<b>Audit and Risk Committee</b>		
Chairman	93 700	88 400
Member	37 500	35 400
<b>Investment Committee, Nomination Committee, Remuneration Committee and Social and Ethics Committee</b>		
Chairman	36 800	34 700
Member	24 500	23 100

\* Effective 1 July 2014, should the increase be approved by shareholders at the Annual General Meeting.

\*\* Effective 1 July 2013.

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.

### Special resolution number 4

#### – Approve the annual retainer fee for the Lead Independent Non-executive Director

12. “Resolved that with effect from 1 July 2014, the annual retainer fee for the Lead Independent Non-executive Director be increased by 6% per annum (rounded to the nearest R50) from R443 350 to R469 950 per annum (rounded to the nearest R50).”

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, drivers' 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 5 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, 7th Floor, 70 Marshall Street, Johannesburg 2001, 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 (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

**A N D’Oyley (Ms)**  
Company Secretary

14 October 2014

## Annexure

### Explanatory note relating to Ordinary resolution number 5: Re-election of Audit and Risk Committee members

Ordinary resolution number 5 is proposed to provide for the re-election of Audit and Risk Committee members.

Section 94(2) of the Companies Act and Chapter 3 of the King Report on Governance for South Africa 2009 and the King Code of Governance Principles (collectively, King III) requires the shareholders of a public company to elect the members of an audit committee at each annual general meeting. In accordance therewith the 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 re-election as members of the Audit and Risk Committee:

- are Independent Non-executive Directors as contemplated in King III and the JSE Listings Requirements;
- are suitably qualified and experienced for Audit and Risk Committee membership (see the Report of the Audit and Risk Committee which appears on pages 166 and 167 of the 2014 Integrated Annual Report);
- 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 (including information technology governance) within the Company;
- collectively possess skills which are appropriate to the Company'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 Company; 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 re-election of those existing Audit and Risk Committee members, who offer themselves for re-election, by the shareholders at the Annual General Meeting.

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 166 and 167 of the 2014 Integrated Annual Report.

### Explanatory note relating to Ordinary resolution number 6: Non-binding advisory vote

Ordinary resolution number 6 is proposed to provide for a non-binding advisory vote on the Company's Remuneration policy.

Chapter 2 of King III, which deals with "Boards and directors", requires a company to table at its annual general meetings its Remuneration policy to shareholders for a non-binding

advisory vote. This enables shareholders to express their views on a company's remuneration policy and on its implementation.

The Company's Remuneration report may be found on pages 144 to 155 of the 2014 Integrated Annual Report. The Remuneration report includes, *inter alia*, the Company's Remuneration policy, details of the members of the Remuneration Committee and describes the remuneration arrangements in place for the Executive Directors and Non-executive Directors.

Ordinary resolution number 6 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when considering the Company's Remuneration policy.

### Explanatory note relating to Ordinary resolution numbers 7 and 8: Amendments to the Company Share Incentive Schemes

Ordinary resolutions numbers 7 and 8 are proposed to amend The African Rainbow Minerals Share Incentive Scheme, as amended (the "Scheme") and The African Rainbow Minerals Limited 2008 Share Plan, as amended (the "Share Plan") to increase both the overall limits and the individual limits to allow for the continuing implementation of both the Scheme and the Share Plan for the period up to 31 December 2019, to make certain amendments in relation to the treatment of retiring participants in respect of all future grants in terms of the Share Plan, as well as to update the Scheme and the Share Plan by replacing references to outdated legislation no longer in force with correct references to current legislation. The current Scheme and Share Plan limits were set in December 2008 and at that time included vested and unvested share options amounting to 5 042 027 options. This effectively meant that the limit available for grants of share options and awards of bonus and performance shares from December 2008 was 5 539 267. This limit is now close to being reached, after 7 years of allocations, and needs to be extended. The proposed amendments to the treatment of retiring participants are to provide that retirement does not accelerate the relevant vesting periods in respect of scheme shares or share options.

#### The African Rainbow Minerals Share Incentive Scheme

An amendment is proposed to paragraph 2.1.11A of The African Rainbow Minerals Share Incentive Scheme ("the Scheme") to update the reference from the Securities Services Act, 2004, to the Financial Markets Act, 2012. In addition, amendments are proposed to paragraphs 5.1 and 5.3 of the Scheme to increase the aggregate number of shares that may be acquired by all eligible participants through the Scheme for the period up to 31 December 2019 from 10 581 294 to 15 581 294, and to increase the aggregate number of shares that may be acquired by each eligible participant for the period up to 31 December 2019 from 1 058 129 shares to 1 558 129 shares.

## Annexure continued

### The African Rainbow Minerals Limited 2008 Share Plan

An amendment is proposed to paragraph 1.1.1 of The African Rainbow Minerals Limited 2008 Share Plan (“the Share Plan”) to update the reference from the previous Companies Act, 1973 to the Companies Act, 2008, as amended. Consequential amendments are also proposed to paragraph 1.1.4 to refer to the current takeover regulations, rather than the previous takeover code, and to paragraphs 22.2.3, 31.2.1 and 31.2.2 to update section references to the correct section in the Companies Act, 2008, as amended. An amendment is proposed to paragraph 1.1.31 and 27 of the Share Plan to update the reference from Securities Services Act, 2004 to the Financial Markets Act, 2012. Amendments to clauses 26.1, 26.1.3 and 26.1.4 are suggested to clean up the wording. In addition, amendments are proposed to paragraphs 8.1 and 8.2 of the Share Plan to increase the

aggregate number of shares that may be acquired by all eligible participants through the Share Plan for the period up to 31 December 2019 from 10 581 294 to 15 581 294 and to increase the aggregate number of shares that may be acquired by each eligible participant for the period up to 31 December 2019 from 1 058 129 shares to 1 558 129 shares. Amendments are also proposed to 1.1.20, 1.1.39, 12.1, 12.3, 15.1, 15.2, 16, 17.2, 18 and 22.5 in order to alter the treatment of retiring participants to provide that retirement does not accelerate vesting periods in respect of new grants or awards.

For additional information about the Scheme and the Share Plan, please refer to the Remuneration report, which appears on page 144 of the 2014 Integrated Annual Report.