THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, throughout this Circular, including this front cover.

If you are in any doubt as to the action that you should take in relation to matters set forth in this Circular, please consult your broker, CSDP, banker, legal adviser, accountant or other professional adviser immediately.

This Circular does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, issue or purchase any security in any jurisdiction.

Action required

1) If you have disposed of all of your ARM Shares, this Circular should be handed to the purchaser of such ARM Shares or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

2) This Circular is important and should be read with particular attention to the section entitled "Action required by ARM Shareholders", which commences on page 2.

ARM
African Rainbow Minerals

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")

CIRCULAR TO SHAREHOLDERS

regarding:

– **the proposed specific repurchase in terms of section 48(2)(b) of the Companies Act and paragraph 5.69 of the Listings Requirements, by Subco, a wholly-owned subsidiary of ARM of 12 717 328 ARM ordinary shares held by the ARM Broad-Based Economic Empowerment Trust, a related party in terms of paragraph 10.1 of the Listings Requirements; and**
– **the provision of a subordinated unsecured loan by ARM to the ARM Broad-Based Economic Empowerment Trust,**

and incorporating:

– **a notice convening the General Meeting; and**
– **a form of proxy (for use by Certificated Shareholders and Own-name Dematerialised Shareholders only) *(blue)*.**

Financial adviser and transaction sponsor	Legal adviser	JSE sponsor
UBS	BG Bowman Gilfillan AFRICA GROUP	Deutsche Bank Deutsche Securities (SA) Proprietary Limited (A non-bank member of the Deutsche Bank Group)

Date of issue: 11 March 2016

This Circular is available in English only and copies hereof may be obtained from the registered office of ARM at the registered address which is set out in the "Corporate information and advisers" section of this Circular, during normal business hours on Business Days during the period from Friday, 11 March 2016 up to and including Wednesday, 13 April 2016, both days inclusive. The Circular will also be available on the Company's website: www.arm.co.za

CORPORATE INFORMATION AND ADVISERS

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

Registered office
ARM House
29 Impala Road
Chislehurston
Sandton
2196
(PO Box 786136, Sandton, 2146)
Place of incorporation: Republic of South Africa
Date of incorporation: 1 June 1933

Company Secretary
Alyson D'Oyley, BCom, LLB, LLM
Telephone: +27 11 779 1300
Fax: +27 11 779 1312
E-mail: alyson.doyley@arm.co.za

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Registration number: 2004/003647/07
70 Marshall Street
Johannesburg, 2001
South Africa
(PO Box 61051, Marshalltown, 2107)

Financial adviser and transaction sponsor
UBS South Africa Proprietary Limited
Registration number: 1995/011140/07
64 Wierda Road East, Wierda Valley
Sandton, 2196
South Africa
(PO Box 652863, Benmore, 2010)

JSE sponsor
Deutsche Securities (SA) Proprietary Limited
(A non-bank member of the Deutsche Bank Group)
Registration number: 1995/011798/07
3 Exchange Square
87 Maude Street, Sandown, 2196
South Africa
(Private Bag X9933, Sandton, 2146)

Legal adviser
Bowman Gilfillan Inc.
Registration number: 1998/021409/21
165 West Street
Sandton, 2196
South Africa
(PO Box 785812, Sandton, 2146)

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ACTION REQUIRED BY ARM SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this section (unless specifically defined where used or the context indicates a contrary intention).

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by ARM Shareholders. If you are in any doubt as to what actions to take, please consult your broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your ARM Shares, this Circular should be handed to the purchaser of such ARM Shares or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

The General Meeting will, subject to any cancellation, postponement or adjournment, be held in Boardrooms 6 and 7 at the Sandton Sun Hotel, Corner of Fifth Street and Alice Lane, Sandton, 2196 on Wednesday, 13 April 2016 at 11:00 for purposes of considering and, if deemed fit, passing the ordinary and special resolutions required to authorise the implementation of the Transaction. The notice convening the General Meeting is attached to and forms part of this Circular.

1. **DEMATERIALISED ARM SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED ARM SHAREHOLDERS**

1.1 **Voting at the General Meeting**

1.1.1 Your broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.

1.1.2 If you have not been contacted by your broker or CSDP, it is advisable for you to contact your broker or CSDP and furnish it with your voting instructions.

1.1.3 If your broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your broker or CSDP.

1.1.4 You must not complete the attached form of proxy.

1.2 **Attendance and representation at the General Meeting**

In accordance with the mandate between you and your broker or CSDP, you must advise your broker or CSDP if you wish to attend the General Meeting and if so, your broker or CSDP will issue the necessary letter of representation to you to attend and vote at the General Meeting.

2. **CERTIFICATED ARM SHAREHOLDERS AND DEMATERIALISED ARM SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALISED ARM SHAREHOLDERS**

2.1 **Voting and attendance at the General Meeting**

2.1.1 You may attend the General Meeting in person and may vote at the General Meeting.

2.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in accordance with the instructions contained therein and returning it to the Transfer Secretaries or the Company Secretary, to be received by them, for administrative purposes, by no later than 11:00 on Monday, 11 April 2016.

3. **GENERAL**

3.1 **Approvals necessary for the implementation of the Specific Repurchase at the General Meeting**

The implementation of the Specific Repurchase is subject to, *inter alia*, the approval of the ARM Shareholders by special resolution at the General Meeting in accordance with the Listings Requirements and the Memorandum of Incorporation of ARM. In order to be approved, the special resolution must be adopted with the support of at least 75% of the voting rights exercised, excluding the votes of the ARM Broad-Based Economic Empowerment Trust and their Associates, on such resolution at the General Meeting.

3.2 **Dematerialisation**

If you are a Certificated ARM Shareholder and wish to Dematerialise your Certificated ARM Shares, you should contact your broker or CSDP.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this Circular have, where necessary, been used below.

	2016
Notice record date, being the date on which an ARM Shareholder must be registered in the Register in order to be eligible to receive the notice of General Meeting on	Friday, 4 March
Circular issued to ARM Shareholders and notice convening the General Meeting released on SENS on	Friday, 11 March
Last day to trade ARM Shares in order to be recorded in the Register to vote at the General Meeting (see note 2 below) on	Friday, 1 April
General Meeting record date, being the date on which an ARM Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 8 April
Form of proxy in respect of the General Meeting to be lodged for administrative purposes, by 11:00 on	Monday, 11 April
General Meeting held at 11:00 on	Wednesday, 13 April
Results of the General Meeting published on SENS on	Wednesday, 13 April

Notes:

1. The above dates and times are subject to amendment at the discretion of ARM. Any such amendment will be released on SENS.
2. ARM Shareholders should note that as transactions in ARM Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after such trade. Therefore, ARM Shareholders who acquire ARM Shares after close of trade on Friday, 1 April 2016 will not be eligible to attend, participate in and vote at the General Meeting.
3. All dates and times indicated above are South African Standard Times.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless otherwise indicated, reference to the singular shall include the plural and vice versa, words denoting one gender include others, expressions denoting natural persons include juristic persons and associations of persons, and the words in the first column have the meanings stated opposite them in the second column.

"ARM" or the "Company"	African Rainbow Minerals Limited (registration number 1933/004580/06), a public company duly registered and incorporated in accordance with the company laws of South Africa, the issued ordinary shares of which are listed on the JSE;
"ARM Broad-Based Economic Empowerment Trust" or "ARM BBEE Trust"	the ARM Broad-Based Economic Empowerment Trust (Master's reference number IT 4713/06), a trust registered in South Africa, which currently holds 13.13% of ARM's issued ordinary share capital;
"ARM Broad-Based Economic Empowerment Trust Loan Refinancing" or " ARM BBEE Trust Loan Refinancing"	the refinancing of the existing debt of the ARM BBEE Trust by utilising the proceeds from the Specific Repurchase (R651 million), reducing the Nedbank loan to a non-recourse R300 million senior secured loan from Nedbank, a Harmony subordinated unsecured loan of R200 million and an ARM subordinated unsecured loan of approximately R800 million;
"ARM Group" or "Group"	collectively, ARM and its subsidiaries, associates and joint arrangements;
"ARM Loan Agreement"	the loan agreement between ARM and the ARM BBEE Trust dated 29 February 2016;
"ARM Shareholders" or "Shareholders"	the registered holders of ARM Shares appearing on the Register from time to time;
"ARM Shares"	ordinary par value shares of R0.05 each issued by ARM, all of which shares are listed on the JSE, being 217 934 588 ARM Shares at the Last Practicable Date;
"Associate"	an associate as defined in the Listings Requirements;
"BEE"	black economic empowerment;
"BEE Transaction"	the BEE Transaction whereby Harmony disposed of its 14% investment in ARM to the ARM BBEE Trust comprising 28 614 740 ARM Shares in April 2005;
"Board"	the board of Directors of ARM whose names appear in the "Circular to ARM Shareholders" section of this Circular;
"broker"	any person registered as a "broking member (equities)" in accordance with the provisions of the Financial Markets Act;
"Business Day"	a day other than a Saturday, Sunday or official public holiday in South Africa;
"Certificated ARM Shares"	ARM Shares represented by a share certificate or other physical document of title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
"Certificated ARM Shareholders"	those ARM Shareholders who hold Certificated ARM Shares;
"Circular"	this circular to ARM Shareholders, dated 11 March 2016, the notice of General Meeting and the form of proxy;
"Companies Act"	the Companies Act, 2008 (Act No. 71 of 2008), as amended;
"Company Secretary"	the secretary of ARM whose details appear in the "corporate information and advisers" section;

"CSDP"	a person that holds in custody and administers securities or an interest in securities and that has been accepted by a central securities depository as a participant in terms of section 31 of the Financial Markets Act;
"Dematerialisation"	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded as such in a sub-register of securities holders maintained by a CSDP and "Dematerialised" shall bear the corresponding meaning;
"Dematerialised ARM Shareholders"	those ARM Shareholders who hold Dematerialised ARM Shares;
"Dematerialised ARM Shares"	ARM Shares which have been Dematerialised;
"Directors"	directors of ARM for the time being;
"Financial Markets Act"	the Financial Markets Act, 2012 (Act No. 19 of 2012) as amended;
"General Meeting"	the general meeting of ARM Shareholders to be held in Boardrooms 6 and 7 at the Sandton Sun Hotel, Corner of Fifth Street and Alice Lane, Sandton, 2196 on Wednesday, 13 April 2016 at 11:00 for the purpose of considering and if deemed fit, passing the special and ordinary resolutions set out in the notice of General Meeting forming part of this Circular;
"Harmony"	Harmony Gold Mining Company Limited (registration number 1950/038232/06), a public company duly registered and incorporated in accordance with the company laws of South Africa, the issued ordinary shares of which are listed on the JSE;
"JIBAR"	Johannesburg Interbank Agreed Rate;
"JSE"	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated in accordance with the company laws of South Africa, and licensed to operate an exchange under the Financial Markets Act;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Circular, being 3 March 2016;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"MOI"	the memorandum of incorporation of ARM;
"Nedbank"	Nedbank Limited (registration number 1951/00009/06), a public company incorporated and registered in South Africa;
"Nedbank loan" or "the loan"	the commercial loan provided by Nedbank to the ARM BBEE Trust with an estimated balance at the closing date in April 2016 of R1,951 million, secured by 28 614 740 ARM shares owned by the ARM BBEE Trust, with existing guarantees of R850 million from ARM and R150 million from Harmony;
"Own-name Dematerialised ARM Shareholders"	ARM Shareholders that have Dematerialised their ARM Shares and have instructed their CSDP to hold their ARM Shares in their own name on the sub-register maintained by the CSDP and forming part of the Register;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"Register"	the securities register of ARM Shareholders maintained by ARM in terms of the Companies Act, including the register of Certificated ARM Shareholders and the sub-registers of Dematerialised ARM Shareholders maintained by the relevant CSDPs in accordance with the Companies Act;

"Repurchase Agreement"	the agreement, dated 29 February 2016, entered into between ARM, Subco and the ARM Broad-Based Economic Empowerment Trust in terms of which Subco will acquire the Repurchase Shares at the Repurchase Price for the Repurchase Consideration;
"Repurchase Consideration"	the aggregate consideration of R651 million payable by Subco in respect of the Repurchase Shares, to be settled in cash;
"Repurchase Price"	R51.19 per ARM Share payable by ARM in respect of the Repurchase Shares. The Repurchase Price is equal to the 30-day VWAP up to and including Wednesday, 10 February 2016, being the day immediately preceding the date on which the Specific Repurchase was agreed;
"Repurchase Shares"	12 717 328 ARM Shares;
"SENS"	the Stock Exchange News Service of the JSE;
"Solvency and Liquidity Test"	the solvency and liquidity test set out in section 4(1) of the Companies Act;
"South Africa"	the Republic of South Africa;
"Specific Repurchase"	the repurchase by Subco of the Repurchase Shares for the Repurchase Consideration, as set out in this Circular, in terms of section 48(2)(b) of the Companies Act and paragraph 5.69 of the Listings Requirements and pursuant to the terms and conditions of the Repurchase Agreement;
"Strate"	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa and a registered Central Securities Depository responsible for the electronic custody and settlement system used by the JSE;
"Subco"	Opilac Proprietary Limited (registration number 2015/146735/07), a private company duly registered and incorporated in accordance with the company laws of South Africa, which is a wholly-owned subsidiary of ARM;
"Transaction"	collectively, the Specific Repurchase and the ARM Broad-Based Economic Empowerment Trust Loan Refinancing;
"Transaction Agreements"	collectively, the ARM Loan Agreement and the Repurchase Agreement;
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the company laws of South Africa;
"Trust Deed"	the existing trust deed of the ARM Broad-Based Economic Empowerment Trust; and
"VWAP"	volume weighted average price.

African Rainbow Minerals

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")

Executive Directors

P T Motsepe *(Executive Chairman)*
M P Schmidt *(Chief Executive Officer)*
M Arnold *(Financial Director)*
H L Mkatshana *(Chief Executive: ARM Copper and ARM Coal)*
A J Wilkens *(Executive Director: Growth and Strategic Development)*

Non-Executive Directors

F Abbott*
Dr M M M Bakane-Tuoane*
T A Boardman*
A D Botha*
J A Chissano (Mozambican)*
W M Gule
A K Maditsi*
Dr R V Simelane*
Z B Swanepoel*

* Independent

CIRCULAR TO ARM SHAREHOLDERS

1. INTRODUCTION AND PURPOSE

The ARM BBEE Trust acquired 28 614 740 ARM Shares from Harmony in April 2005. The acquisition was funded by the Nedbank loan to the ARM BBEE Trust without recourse to ARM until December 2014.

The ARM BBEE Trust forms an integral part of the empowerment obligations of ARM. The current court process to determine the legal status of the "once empowered, always empowered" principle also makes it necessary that ARM minimises its legal and financial exposure should this principle not be upheld by the court.

During 2015, ARM provided support to the ARM BBEE Trust in the form of guarantees to support the financial covenants of the Nedbank loan. This was required given the fall in the ARM share price following a decline in commodity prices and the overall negative sentiment towards the mining sector. Guarantees provided by ARM amounted to R700 million which were disclosed in ARM's annual financial statements and integrated annual report for the year ended 30 June 2015 under contingent liabilities.

Post 30 June 2015, the financial covenants of the Nedbank loan came under pressure once again and required that these guarantees be increased to R850 million. Harmony provides R150 million in guarantees to Nedbank in a similar manner. The Board of ARM has taken a decision not to provide any further guarantees to the ARM BBEE Trust, but rather to restructure the shareholding of the Trust in ARM and related funding of the ARM BBEE Trust to provide a more sustainable solution.

To facilitate the unwinding of the current funding structure relating to the BEE Transaction, ARM has entered into a repurchase agreement with the ARM BBEE Trust in terms of which, a wholly-owned subsidiary of ARM, Subco will acquire 12 717 328 ARM Shares held by the ARM BBEE Trust (or 5.8% of the current issued ARM Shares) at a price of R51.19 per ARM Share, being the 30-day VWAP of the ARM Shares on 10 February 2016, the last day before the agreement was reached on the transaction structure.

Furthermore, to implement a more permanent funding structure, the ARM BBEE Trust bank debt will be refinanced as part of one combined transaction through a combination of the proceeds from the Specific Repurchase, the reduction of the Nedbank loan to a non-recourse R300 million senior secured loan from Nedbank, a Harmony subordinated unsecured loan of R200 million and an ARM subordinated unsecured loan of approximately R800 million.

The Specific Repurchase from the ARM BBEE Trust will be classified as a related party transaction in terms of section 10 of the Listings Requirements and so requires approval by ARM Shareholders and is also subject to the conditions precedent referred to in paragraph 5 below.

The purpose of this Circular is (i) to provide ARM Shareholders with relevant information relating to the Specific Repurchase and the ARM Broad-Based Economic Empowerment Trust Loan Refinancing, and (ii) to give notice convening the General Meeting in order to consider and, if deemed fit, pass, with or without modification, the resolutions, as set out in the notice of the General Meeting, to approve and implement the Transaction.

2. RATIONALE FOR THE TRANSACTION

The ARM BBEE Trust forms an integral part of the empowerment credentials of ARM. Whilst the share price of ARM has now recovered since a low of R34.81 on 18 January 2016 the recent market volatility has shown the instability of the current funding structure and the potential flow through to ARM, both in terms of financial loss and risk to its BEE status.

Whilst the Nedbank loan is fully covered by the value of the ARM Shares and neither ARM nor Harmony has suffered any loss, the value of the ARM Shares held by the ARM BBEE Trust remains well below the loan covenant. Given the size of the Nedbank loan, the roll up of the interest less dividends received is likely to result in the bank loan balance continuing to increase and thus continue to put pressure on the ARM BBEE Trust's financial position going forward.

As a consequence, the current ARM BBEE Trust funding structure is untenable and the Board has decided not to continue to provide any further guarantees to the ARM BBEE Trust but rather to restructure the shareholding by the Trust in ARM and related funding of the ARM BBEE Trust to provide a more permanent and sustainable solution to the benefit of shareholders.

The Board believes that the Specific Repurchase and the ARM BBEE Trust Loan Refinancing is the best possible solution in the current environment for the following reasons:

- achieves a permanent and sustainable funding solution for the ARM BBEE Trust;
- retains ARM's black economic empowerment shareholding above 50%; and
- limits stress to the ARM financial position and removes the existing guarantees.

3. TERMS OF THE SPECIFIC REPURCHASE AND RELATED PARTY CONSIDERATIONS

Subject to the conditions precedent set out in paragraph 5 below, Subco intends to repurchase 12 717 328 ARM Shares (or 5.8% of the current issued shares of ARM) at a price of R51.19 per share, being the 30-day VWAP of the ARM Shares on Wednesday, 10 February 2016, the day immediately preceding the date on which the Specific Repurchase was agreed, from the ARM BBEE Trust for a total consideration of R651 million.

Post the Specific Repurchase, Subco will hold the 12 717 328 ARM Shares as treasury shares.

The Specific Repurchase will be funded by cash (including the proceeds of the sale of ARM's 50% effective interest in the Dwarsrivier Chrome Mine).

The ARM BBEE Trust is a material shareholder of ARM, and is therefore considered a related party in terms of paragraph 10.1(b)(i) of the Listings Requirements.

In terms of paragraphs 5.69(b) and 10.4 of the Listings Requirements, a special resolution must be passed by ARM Shareholders (excluding the ARM Broad-Based Economic Empowerment Trust and its Associates) in order to implement the Specific Repurchase. The votes of the ARM Broad-Based Economic Empowerment Trust and its Associates will be taken into account in determining whether a quorum of ARM Shareholders is present at the General Meeting, but their votes will not be taken into account in determining the results of the voting at the General Meeting.

4. ARM BROAD-BASED ECONOMIC EMPOWERMENT TRUST LOAN REFINANCING

The ARM BBEE Trust's outstanding bank debt at 31 December 2015 was R1,883 million. It is estimated that the Nedbank loan balance on the estimated closing date in April 2016 will be R1,951 million. Any difference to that estimate will result in the refinancing amount changing, which differential will be adjusted in the amount of the ARM loan. The proceeds from the Specific Repurchase will be utilised by the ARM BBEE Trust to pay down R651 million of the outstanding loan. The remaining R1,300 million will be refinanced as follows:

- Nedbank: R300 million
- Harmony: R200 million
- ARM: approximately R800 million (subject to adjustments for accrued interest).

The Nedbank loan is senior, secured against the remaining shares held by ARM BBEE Trust with no recourse to ARM. The interest rate is market related with limited covenants.

Key terms of the ARM loan are as follows:

ARM loan

Notional amount	R800 million (subject to adjustments for accrued interest)
Term	31 December 2019 with ARM having an option to extend for an additional three years on terms to be agreed at that time
Base Interest rate	JIBAR + 425bps[1]
Seniority	Subordinated to Nedbank
Roll-up of interest	Yes
Security	None

Note:

1. Basis points

The Harmony R200 million loan has the same terms as the ARM loan (save that the term is until 31 December 2022, or the maturity date of the ARM loan, whichever is the earlier).

The existing ARM guarantees of R850 million will be removed on implementation of the ARM BBEE Trust Loan Refinancing.

5. CONDITIONS PRECEDENT

The Transaction is subject to the fulfilment of a number of conditions precedent, including but not limited to:

- ARM Shareholders at the General Meeting approving the necessary resolutions in terms of the Listings Requirements and the MOI, to effect the Specific Repurchase and the ARM Broad-Based Economic Empowerment Trust Loan Refinancing;
- finalisation of transaction documentation with Nedbank, ARM's existing lenders, Harmony and the ARM BBEE Trust; and
- amendments to the Trust Deed.

6. ADEQUACY OF CAPITAL

6.1 The Directors have considered the impact of the Transaction and are of the opinion that:

- the relevant provisions of section 4 and section 48 of the Companies Act in relation to the Specific Repurchase have been complied with;
- ARM and the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of approval of this Circular;
- the assets of ARM and the Group will be in excess of its liabilities for a period of 12 months after the date of approval of this Circular, where for this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of ARM and the Group;

- share capital and reserves of ARM and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the Circular; and
- working capital of ARM and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the Circular.

6.2 Furthermore, in respect of the Specific Repurchase:

- in terms of section 46(1)(a)(ii) of the Companies Act and paragraph 5.69(d) of the Listings Requirements, the Board has, by resolution, authorised the Specific Repurchase;
- in terms of section 46(1)(b) of the Companies Act, it reasonably appears that ARM and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase; and
- in terms of section 46(1)(c) of the Companies Act and paragraph 5.69 of the Listings Requirements, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test, and reasonably concluded that ARM and the Group will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase and that since the Solvency and Liquidity Test was performed, there have been no material changes to the financial position of any company of the Group.

7. MAJOR BENEFICIAL ARM SHAREHOLDERS

As at the Last Practicable Date, the following major beneficial Shareholders, other than an Executive Director, insofar as is known to ARM, are the direct beneficial owners of 5% or more of the ARM Shares:

Before the Specific Repurchase:

Shareholder	Direct number of shares held	Percentage of total issued ordinary shares*
African Rainbow Minerals & Exploration Investments Proprietary Limited	87 750 417[1]	40.26
ARM Broad-Based Economic Empowerment Trust	28 614 740	13.13
Allan Gray Proprietary Limited ("Allan Gray")[2]	43 498 282	19.96
Public Investment Corporation	13 238 327	6.07
Kagiso Asset Management Proprietary Limited	10 918 523	5.01
Total	**184 020 289**	**84.43**

*Percentage shareholding is based on ARM's total issued ordinary shares of 217 934 588 shares as at the Last Practicable Date.

Notes:

1. The sole shareholder of African Rainbow Minerals & Exploration Investments Proprietary Limited is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, the shares of which are held by trusts all of which, except The Motsepe Foundation, own those shares for the benefit of Mr P T Motsepe and his immediate family.
2. These shares are held beneficially by Allan Gray's clients and not by Allan Gray as principal. Allan Gray has provided undertakings to recommend to its clients to vote their shares in favour of the resolutions.

After the Specific Repurchase:

Shareholder	Direct number of shares held	Percentage of total issued ordinary shares
African Rainbow Minerals & Exploration Investments Proprietary Limited	87 750 417[1]	40.26
ARM Broad-Based Economic Empowerment Trust	15 897 412	7.29
Subco[2]	12 717 328	5.84
Allan Gray Proprietary Limited ("Allan Gray")[3]	43 498 282	19.96
Public Investment Corporation	13 238 327	6.07
Kagiso Asset Management Proprietary Limited	10 918 523	5.01
Total	**184 020 289**	**84.43**

Notes:

1. The sole shareholder of African Rainbow Minerals & Exploration Investments Proprietary Limited is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, the shares of which are held by trusts all of which, except The Motsepe Foundation, own those shares for the benefit of Mr P T Motsepe and his immediate family.
2. Post the Specific Repurchase, Subco will hold 12 717 328 ARM Shares as treasury shares, which ARM Shares will remain listed on the JSE.
3. These shares are held beneficially by Allan Gray's clients and not by Allan Gray as principal. Allan Gray has provided undertakings to recommend to its clients to vote their shares in favour of the resolutions.

8. MATERIAL CHANGES

Other than the trading statements released on 11 December 2015 and on 3 March 2016 respectively, there have been no material changes in the financial or trading position of the ARM Group since the end of the last financial period, being 30 June 2015, up to and including the Last Practicable Date.

9. LITIGATION STATEMENT

As far as is known to the Board and management of ARM, there are no legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the previous 12 months a material effect on the financial position of the ARM Group.

10. MATERIAL CONTRACTS

Other than in connection with the Transaction, ARM has not, in the two years preceding the Last Practicable Date, either verbally or in writing, entered into any restrictive funding arrangements or other material contracts other than in the ordinary course of business or, either verbally or in writing, entered into contracts at any time containing an obligation or settlement that is material to the ARM Group as at the Last Practicable Date.

11. DIRECTORS' INTERESTS

11.1 As at the Last Practicable Date, the direct and indirect interests of the Directors of ARM and their associates, including an Executive Director who has resigned during the last 18 months, are as follows:

Director	Direct beneficial	Indirect beneficial	Percentage of total issued ordinary share capital*
P T Motsepe	84 651[2]	88 862 749[1]	40.81
M Arnold	36 782	–	0.02
A D Botha	–	22 450	0.01
M P Schmidt	–	18 726	0.01
D V Simelane[3]	–	–	–
Dr R V Simelane	1 350	–	0.00
A J Wilkens	76 928[4]	331 604	0.19
Total	**199 711**	**89 235 529**	**41.04**

*Percentage shareholding is based on ARM's total issued ordinary shares of 217 934 588 as at the Last Practicable Date.

There have been changes to the Directors' interests since the end of the last financial period, being 30 June 2015, up to and including the Last Practicable Date. These changes are reflected in the table above.

Notes:

1. The shares are held by African Rainbow Minerals & Exploration Investments Proprietary Limited ("ARMI") and Botho-Botho Commercial Enterprises Proprietary Limited. The sole shareholder of ARMI is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, the shares of which are held by trusts all of which, except The Motsepe Foundation, own those shares for the benefit of Mr P T Motsepe and his immediate family. All the shares of Botho-Botho Commercial Enterprises Proprietary Limited are beneficially owned by trusts which trusts, with the exception of The Motsepe Foundation, hold those shares for the benefit of Mr P T Motsepe and his immediate family.
2. These shares were acquired as a result of the settlement of awards in terms of the long-term incentive schemes of ARM and will be transferred to ARMI. The sole shareholder of ARMI is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, the shares of which are held by trusts, all of which, except The Motsepe Foundation, own those shares for the benefit of Mr P T Motsepe and his immediate family.
3. Mr D V Simelane resigned on 6 February 2015. As at the date of resignation Mr Simelane did not have an interest in the share capital of ARM.
4. These shares were acquired as a result of the settlement of awards in terms of the long-term incentive schemes of ARM and will be transferred to a family trust, for the benefit of Mr Wilkens and his immediate family.

11.2 Directors' interests in this Transaction

The Executive Chairman of ARM, Mr P T Motsepe, has a material indirect beneficial interest in ARM. Apart from this, there is no material beneficial interest, whether directly or indirectly, of any of the Directors, including Directors who have resigned during the last 18 months, in transactions that were effected by ARM during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

Mr T A Boardman, an Independent Non-Executive Director of ARM, is a Non-Executive Director of Nedbank Limited. As such, Mr Boardman has recused himself from all decision making processes in relation to the commercial financing in respect of the Transaction.

12. SHARE CAPITAL

The table below sets out ARM's authorised and issued ordinary share capital with a par value of 5 cents each before and after the Specific Repurchase:

Before and after the Specific Repurchase	Number of shares	R'm
Authorised ordinary share capital of 5 cents each	500 000 000	25
Issued ordinary share capital of 5 cents each[1]	217 934 588	11
Share premium (at 30 June 2015)	4 183	

Notes:

1. Before the Specific Repurchase there were no treasury shares.
2. Post the Specific Repurchase, Subco will hold 12 717 328 ARM Shares as treasury shares, which ARM Shares will remain listed on the JSE.

13. IRREVOCABLE UNDERTAKINGS

ARM has received from certain ARM Shareholders irrevocable undertakings, indications of support or commitments to recommend to their clients to vote ARM Shares held by them as at the record date of the General Meeting, either as principal or on behalf of clients, in favour of the resolutions to be proposed at the General Meeting. Details of the current shareholdings of these parties are as follows:

Shareholder	Shares subject to undertaking	Percentage holding[1]	Effective voting rights for the Specific Repurchase[2]
African Rainbow Minerals & Exploration Investments Proprietary Limited	87 750 417[3]	40.26	46.35%
Allan Gray Proprietary Limited ("Allan Gray")	43 498 282[4]	19.96	22.98%
Kagiso Asset Management Proprietary Limited	10 918 523	5.01	5.77%
Total	**142 167 222**	**65.23**	**75.10%**

Notes:

1. Percentage shareholding is based on 217 934 588 ARM Shares.
2. Effective voting rights are based on 189 319 848 ARM Shares, which is comprised of 217 934 588 ARM Shares, excluding the ARM Shares held by the ARM BBEE Trust of 28 614 740 ARM Shares.
3. The sole shareholder of African Rainbow Minerals & Exploration Investments Proprietary Limited is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, the shares of which are held by trusts all of which, except The Motsepe Foundation, own those shares for the benefit of Mr P T Motsepe and his immediate family.
4. These shares are held beneficially by Allan Gray's clients and not by Allan Gray as principal. Allan Gray has provided undertakings to recommend to its clients to vote their shares in favour of the resolutions.

14. EXPENSES RELATING TO THE TRANSACTION

The expenses (exclusive of value-added tax) of the Specific Repurchase are anticipated to be:

Description	Estimated amount R'm
UBS South Africa Proprietary Limited	18.00
Bowman Gilfillan Inc.	0.85
Deutsche Securities (SA) Proprietary Limited	0.23
Ernst & Young Inc.	0.65
Printing, General Meeting and other related expenses	0.33
JSE documentation fees	0.08
Total	**20.14**

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out on page 1 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular in relation to ARM and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

16. IMPACT ON THE FINANCIAL INFORMATION OF ARM AND ACCOUNTING TREATMENT

Shareholders are referred to the announcement released on SENS on Monday, 15 February 2016 relating to the Transaction and are advised that the implementation of the Transaction will result in the following accounting consequences in terms of International Financial Reporting Standards:

- The ARM BBEE Trust will be consolidated into the ARM consolidated financial results, as ARM will control the Trust for reporting purposes.
- Cash used to purchase the ARM Shares from the ARM BBEE Trust is assumed to have been funded from cash resources resulting in reduced interest income impacting headline earnings per share and earnings per share and is of a continuing nature.
- The loan from ARM to the ARM BBEE Trust is assumed to have been funded from current corporate facilities resulting in an additional interest expense for headline earnings per share and earnings per share purposes and is of a continuing nature.
- As a result of the ARM BBEE Trust being consolidated, additional borrowings of R300 million and R200 million from Nedbank and Harmony respectively, including the interest on these borrowings, will be included in the consolidated financial results of ARM and is of a continuing nature.
- The ARM Shares bought back and the shares remaining in the ARM BBEE Trust will reduce the number of shares used in the calculation of headline earnings per share, earnings per share, net asset value per share and net tangible asset value per share by 28 614 740 shares.
- The guarantees from ARM to Nedbank will no longer exist and will no longer be reflected as contingent liabilities.
- Interest paid by the ARM BBEE Trust is non-deductible for income tax purposes impacting headline earnings per share and earnings per share and is of a continuing nature.
- Once-off costs associated with the Transaction are estimated to be approximately R20 million.

17. CONSENTS

The legal adviser, financial adviser and transaction sponsor, JSE sponsor and Transfer Secretaries have consented in writing to act in the capacities stated in this document and to their names being stated in this document and have not withdrawn their consent prior to the publication of this Circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of ARM, ARM House, 29 Impala Road, Chislehurston, Sandton, 2196, during normal office hours from Friday, 11 March 2016 to Wednesday,13 April 2016:

- the MOI;
- the consolidated audited annual financial statements of ARM for the years ended 30 June 2015, 30 June 2014 and 30 June 2013;
- the Transaction Agreements;
- the signed consent letters referred to in paragraph 17 above;
- a signed copy of this Circular; and
- the irrevocable undertakings referred to in paragraph 13.

By order of the Board

M P Schmidt	**M Arnold**
Chief Executive Officer	*Financial Director*

11 March 2016

Registered office

ARM House
29 Impala Road
Chislehurston
Sandton, 2196

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 OF GENERAL MEETING

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this notice of General Meeting.

Notice is hereby given to ARM Shareholders recorded in the Register on Friday, 4 March 2016, that the General Meeting of ARM Shareholders will be held on Wednesday, 13 April 2016 in Boardrooms 6 and 7 at the Sandton Sun Hotel, Corner of Fifth Street and Alice Lane, Sandton, 2196 at 11:00, to consider and, if deemed fit, pass, with or without modification, the special and ordinary resolutions set out hereunder. The record date for determining which ARM Shareholders are entitled to participate in and vote at the General Meeting is Friday, 8 April 2016. Accordingly, the last day to trade in order to be eligible to participate and vote at the General Meeting will be Friday, 1 April 2016.

RESOLUTION RELATING TO THE SPECIFIC REPURCHASE

Special Resolution number 1: Specific authority for the repurchase by Subco of 12 717 328 ARM Shares from the ARM Broad-Based Economic Empowerment Trust

"Resolved that Subco be and is hereby authorised, by way of a specific authority, in terms of the Listings Requirements and the MOI, to acquire 12 717 328 ARM Shares at the Repurchase Price, from the ARM Broad-Based Economic Empowerment Trust, upon the terms and conditions of the Specific Repurchase."

In terms of paragraph 5.69(b) of the Listings Requirements, the requisite percentage of voting rights for the resolution to be adopted is at least 75% of the votes exercised on the resolution.

Reason for Special Resolution number 1

The reason for Special Resolution number 1 is to specifically authorise the Subco to acquire the ARM Broad-Based Economic Empowerment Trust shares, namely 12 717 328 ARM Shares, in terms of the Listings Requirements and the MOI, and the terms of the Specific Repurchase.

In terms of the Listings Requirements, the votes of the ARM Broad-Based Economic Empowerment Trust will be taken into account in determining whether a quorum of Shareholders is present at the General Meeting, but such votes will not be taken into account in determining the results of the voting at the General Meeting on Special Resolution number 1 relating to the Specific Repurchase.

In terms of the Listings Requirements, the Specific Repurchase is a related party transaction as the ARM Broad-Based Economic Empowerment Trust, by virtue of its 13.13% shareholding in ARM, is a material shareholder (as defined in the Listings Requirements) and is consequently a related party to ARM. Accordingly, in order to implement the Specific Repurchase, a special resolution of the Company must be passed by shareholders excluding the ARM Broad-Based Economic Empowerment Trust.

The Directors, whose names are set out on page 8 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information contained in this Special Resolution number 1 and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statements false or misleading and that they have made all reasonable enquiries in this regard, and that this Special Resolution contains all information required by law and the Listings Requirements.

Statement by the Directors of the Company

The directors of ARM have considered the impact of the Specific Repurchase and are of the opinion that:

- the relevant provisions of section 4 and section 48 of the Companies Act have been complied with;
- ARM and the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of approval of this Circular;
- the assets of ARM and the Group will be in excess of its liabilities for a period of 12 months after the date of approval of this Circular, where for this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Group;
- the share capital and reserves of ARM and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Circular; and
- the working capital of ARM and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Circular.

Furthermore, it is stated as follows:

- in terms of section 46(1)(a)(ii) of the Companies Act and the Listings Requirements, the Board has authorised the Specific Repurchase;
- in terms of section 46(1)(b) of the Companies Act, it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase; and
- in terms of section 46(1)(c) of the Companies Act, the Board has, by resolution, acknowledged that it has applied the Solvency and Liquidity Test as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchase.

Since the above test was performed on the Last Practicable Date, there have been no material changes in the financial or trading position of the ARM Group.

RESOLUTION RELATING TO THE ARM BROAD-BASED ECONOMIC EMPOWERMENT TRUST LOAN REFINANCING

Special Resolution number 2: Approval of the ARM Broad-Based Economic Empowerment Trust Loan Refinancing

"Resolved that, subject to the passing of Special Resolution number 1, the Company approves the ARM Broad-Based Economic Empowerment Trust Loan Refinancing with the ARM Broad-Based Economic Empowerment Trust, which is a related party in terms of paragraph 10.1(b)(i) of the Listings Requirements, upon the terms and conditions as set out in the ARM Loan Agreement dated 29 February 2016."

In terms of paragraph 5.69(b) of the Listings Requirements, the requisite percentage of voting rights for the resolution to be adopted is at least 75% of the votes exercised on the resolution.

Reason for Special Resolution number 2

The reason for Special Resolution number 2 is to specifically authorise the Company to conclude the ARM Broad-Based Economic Empowerment Trust Loan Refinancing with the ARM Broad-Based Economic Empowerment Trust upon the terms of the ARM Loan Agreement, taking into account the provisions of Listings Requirements and the MOI.

In terms of the Listings Requirements, the votes of the ARM Broad-Based Economic Empowerment Trust will be taken into account in determining whether a quorum of Shareholders is present at the General Meeting, but such votes will not be taken into account in determining the results of the voting at the General Meeting on Special Resolution number 2 relating to the approval of the ARM Broad-Based Economic Empowerment Trust Loan Refinancing.

RESOLUTION RELATING TO THE IMPLEMENTATION OF THE TRANSACTION

Ordinary Resolution: Directors' authority to take all such actions necessary to implement the Transaction

"Resolved as an ordinary resolution that any two Executive Directors of the Company, acting together, be and are hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the Transaction".

In terms of section 65(7) of the Companies Act and the MOI, this resolution will be adopted with the support of more than 50% of the voting rights exercised on this resolution. The votes of the ARM Broad-Based Economic Empowerment Trust and its Associates will be taken into account in determining whether a quorum of ARM Shareholders is present at the General Meeting, but such votes will not be taken into account in determining the results of the voting on this resolution.

ENTITLEMENT TO ATTEND AND VOTE AT THE GENERAL MEETING

ARM Shareholders who wish to participate in the General Meeting should note that, in terms of section 63 of the Companies Act, they are required to provide reasonable satisfactory identification before being entitled to attend or participate at the General Meeting. Forms of identification include valid identity documents, drivers' licences and passports.

Certificated ARM Shareholders and Own-name Dematerialised ARM Shareholders may attend and vote at the General Meeting, or alternatively appoint a proxy to attend, speak and, in respect of the resolutions to be considered in the General Meeting, vote in their stead by completing the attached form of proxy and returning it to the Transfer Secretaries at Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or the registered office of the Company, ARM House, 29 Impala Road, Chislehurston, Sandton, 2196 (PO Box 786136, Sandton, 2146) addressed to the Company Secretary for administration purposes to be received by no later than 11:00 on Monday, 11 April 2016.

Dematerialised ARM Shareholders, other than Own-name Dematerialised ARM Shareholders, must contact their CSDP or broker, as the case may be, and obtain the relevant letter of representation from it if they wish to attend the General Meeting. If these ARM Shareholders are unable to attend the General Meeting, but wish to be represented thereat, they must furnish their CSDP or broker, as the case may be, with their instructions for voting at the General Meeting.

Forms of proxy should be forwarded to reach the Transfer Secretaries or the registered office of the Company at the addresses given above, for administration purposes by no later than 11:00 on Monday, 11 April 2016. The completion of a form of proxy will not preclude an ARM Shareholder from attending the General Meeting.

Electronic participation by Shareholders

Should any ARM Shareholder (or any proxy for an ARM Shareholder) wish to participate in the General Meeting by way of electronic participation, that ARM Shareholder (or its proxy) should make application in writing (including details as to how the ARM 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 General Meeting in order for the Transfer Secretaries to arrange for the ARM 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 ARM 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 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 ARM Shareholders are entitled to participate in the General Meeting by electronic means, they shall not be entitled to exercise their votes at the General Meeting electronically. Voting at the General Meeting will only be possible by proxy if a ARM Shareholder is unable to attend the General Meeting in person.

By order of the Board

A N D'Oyley
Company Secretary

11 March 2016

Registered office
ARM House
29 Impala Road
Chislehurston
Sandton,2196

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African Rainbow Minerals

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")

FORM OF PROXY

All terms defined in the Circular, to which this notice of General Meeting is attached, shall bear the same meanings when used in this form of proxy.

For use only by ARM Shareholders holding Certificated ARM Shares, nominee companies of CSDPs, brokers' nominee companies and Own-name Dematerialised ARM Shareholders at the General Meeting of the ARM Shareholders to be held in Boardrooms 6 and 7 at the Sandton Sun Hotel, Corner of Fifth Street and Alice Lane, Sandton, 2196 at 11:00 South African Standard Time on Wednesday, 13 April 2016, and at any cancellation, postponement or adjournment thereof.

Dematerialised ARM Shareholders who are not Own-name Dematerialised ARM Shareholders must not complete this form of proxy and must provide their CSDP or broker with their voting instructions, except for Own-name Dematerialised ARM Shareholders recorded in the sub-register through a CSDP or broker, which ARM Shareholders must complete this form of proxy and lodge it with their CSDP or broker in terms of the custody agreement entered into between them and their CSDP or broker. Dematerialised ARM Shareholders who are not Own-name Dematerialised ARM Shareholders wishing to attend the General Meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the necessary letter of representation to attend.

I/We (names in block letters) ____________________

Of (address) ____________________

Telephone number ____________________ Cellphone number ____________________

E-mail address ____________________

being the holder(s) or custodians of [   ] ordinary shares (delete whichever is not applicable) in the issued share capital of the Company, do hereby appoint:

1. ____________________ or, failing him/her

2. ____________________ or, failing him/her

3. the chairman of the General Meeting

as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the General Meeting to be held in Boardrooms 6 and 7 at the Sandton Sun Hotel, Corner of Fifth Street and Alice Lane, Sandton, 2196 at 11:00 South African Standard Time on Wednesday, 13 April 2016 and at any cancellation, postponement or adjournment thereof, and to vote or abstain from voting as follows on the resolutions to be proposed at such meeting as follows:

	Number of votes (one vote per share)		
	In favour of	**Against**	**Abstain**
Special Resolution number 1: Specific authority, in terms of the Companies Act, the Listings Requirements and the MOI for the Specific Repurchase by Subco of 12 717 328 ARM Shares, from the ARM Broad-Based Economic Empowerment Trust			
Special Resolution number 2: Approval of the ARM Broad-Based Economic Empowerment Trust Loan Refinancing with the ARM Broad-Based Economic Empowerment Trust			
Ordinary Resolution: Authority for Directors to take all such actions necessary to implement the Transaction			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote (instruction overleaf).
A certificated shareholder or dematerialised "own name" shareholder entitled to attend, speak at and vote at the General Meeting may appoint a proxy or proxies to attend, speak at and vote at the General Meeting in his/her/its stead. A proxy need not be a shareholder of the Company.
Every person present and entitled to vote at the General Meeting shall on a show of hands have one vote only, irrespective of the number of shares such person holds or represents, and on a poll, shall have the voting rights set out in the MOI.

Signed at ____________________ on ____________________ 2016

Name in BLOCK LETTERS ____________________

(Initials and surname of joint holders, if any)

Signature ____________________

[Please read the notes on the reverse side hereof.]

Notes:

1. An ARM Shareholder may insert the name of a proxy or the names of two alternative proxies of the ARM Shareholder's choice in the space/s provided, with or without deleting "the chairman of the General Meeting", but any such deletion must be initialled by the ARM Shareholder. The person whose name appears first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ARM Shares than you own in the Company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. An ARM Shareholder or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the ARM Shareholder or by the proxy.
3. Forms of proxy must be received at the office of the Transfer Secretaries, Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown 2107, or the registered office of the Company, ARM House, 29 Impala Road, Chislehurston, Sandton, 2196 (PO Box 786136, Sandton, 2146), addressed to the Company Secretary, to be received by them not later than 11:00 South African Standard Time on Monday, 11 April 2016.
4. The completion and lodging of this form of proxy will not preclude the relevant ARM Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by ARM's Transfer Secretaries or waived by the chairman of the General Meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries of the Company.
8. The chairman of the General Meeting may reject or accept any form of proxy that is completed and/or received other than in accordance with these notes if he/she is satisfied as to the manner in which the ARM Shareholder wishes to vote.
9. Joint holders – any such persons may vote at the General Meeting in respect of such joint shares as if he/she were solely entitled thereto; but if more than one of such joint holders are present or represented at the General Meeting, that one of the said persons whose name stands first in the Register in respect of such shares or his/her proxy, as the case may be, is alone entitled to vote in respect thereof.
10. Own-name Dematerialised ARM Shareholders will be entitled to attend the General Meeting in person or, if they are unable to attend and wish to be represented thereat, must complete and return the attached form of proxy to the Transfer Secretaries in accordance with the time specified on the form of proxy.

Summary of the rights established in terms of section 58 of the Companies Act:

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder, or give or withhold written consent on behalf of such shareholder in relation to an decision contemplated in section 60 of the Companies Act.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Companies Act or expires earlier as contemplated in section 58(8)(d) of the Companies Act.
3. Except to the extent that the MOI of a company provides otherwise –
   3.1 a shareholder of the relevant company 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 such shareholder;
   3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
   3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's MOI to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the MOI, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
   9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
   9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
   9.3 the company must not require that the proxy appointment be made irrevocable; and
   9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.