REMUNERATION REPORT

This remuneration report is in accordance with King IV requirements. A glossary of terms used in this report is contained in our online integrated annual report of 2017 which is on our website. If unable to access the online report please note the following key references used: "Policy" means the Remuneration Policy of the Company, the "Company" or "Merafe" means Merafe Resources Limited and its subsidiaries, the "Committee" means the Remuneration and Nomination Committee of the Company, the" Board" means the board of directors of the Company, "executive directors " and" non executive directors" means executive and/or non-executive directors of the Company, the "CEO" means the chief executive officer of the Company and "FD" means the financial director of the Company.

BACKGROUND STATEMENT

Our remuneration philosophy

The Company's primary philosophy is to employ high-calibre, high-performing employees who subscribe to the values and culture of the Company. We recognise that our employees are integral to the achievement of our corporate objectives and they are accordingly remunerated for their contribution and the value they deliver. Our remuneration strategy and policy are regularly reviewed by the Committee to ensure they are appropriate.

Our remuneration strategy

The Company's remuneration strategy is designed to be aligned with the business strategy and the execution thereof in the short, medium and long term and also within the Company's risk appetite. Since we strive to attract, retain, motivate and reward employees for executing our business strategy, their remuneration must clearly be market-related and third parties are used by the Committee for the purpose of benchmarking to the appropriate segment. The general principle of the Policy is to structure executive and employee remuneration to include:

- a guaranteed annual package and benefits;
- an annual variable performance bonus; and
- ownership of shares through the long-term incentive scheme which is based on retention and performance with the aim of creating a strong alignment to shareholder goals.

The remuneration strategy and the Policy was communicated to all employees during the year together with our expectations around their contribution to the success of the Company. The Policy also covers Company-wide remuneration with the aim of achieving positive outcomes, promoting an ethical culture and responsible coporate citizenship.

Statement of voting at Annual General Meeting

The AGM of the Company was held on 4 May 2017 and the requisite ordinary resolution endorsing the Policy was passed. The resolution (resolution 6) was passed by a 90.36% majority with 82.39% of the Company's shares being voted. In 2016 the Policy was passed by a 86.67% majority (shares voted 80.44%).

The Company engages regularly with stakeholders in respect of its remuneration approach and Policy.The Company commits in 2018 to engage with shareholders in respect of its Policy and approach.

The Remuneration and Nomination Committee

Responsibility for the Policy resides with the Board who sets the direction on how remuneration is approached on an organisation-wide basis and who in turn appoints the Committee. The Committee comprises at least three members, the majority of whom are independent non-executive directors, and is governed by formal terms of reference.

The primary role of the Committee is to ensure that the Company's executive directors and senior management are fairly rewarded for their individual contributions to the Company's overall performance and that remuneration is appropriate to attract, retain and motivate executive directors and senior management of quality to obtain the overall goals of the Company, and to demonstrate to all stakeholders that the remuneration is set by members of the Committee who:

- have no personal interest in the outcome of their decisions;
- give due regard to the interest of the shareholders and the financial and commercial condition of the Company; and
- take cognisance of market-related remuneration, incentive bonuses and share incentive schemes as well as market trends, and additionally play an active role in succession planning activities, notably for the CEO and executive directors.

The Committee is responsible for making recommendations to the Board on the Policy and implementation thereof and, to the extent it deems necessary, the Committee makes external comparisons between remuneration packages of executive directors and those available to directors of other companies of a similar size in the comparable industry sector. Comparisons are also made with other companies in South Africa and, if relevant, internationally.

The Committee also takes into account a number of internal and external factors, being inter alia:

- industry standards and comparisons with businesses in the same industry;
- expertise and qualifications of individuals;
- the risks associated with a Company in the mining sector;
- the importance of the individual to the Company and his/her contribution;
- motivation for the executive directors to leave existing employment;
- signing of necessary restraint provisions; and
- nature of the position (profile, work load, etc.)

The Committee is responsible for approving salary increases for executive directors individually and for approving overall increases for all employees.

The activities of the Committee during 2017 included:

- Benchmarking exercise

  The Company's practice has been to remunerate its employees within the lower and median percentile. However, there has been no agreed principle as to which comparison to use as Merafe is not a typical mining company. To correct the latter, remuneration experts, Emergence Growth South Africa ("EG"), were engaged to perform the process from the beginning which included job profiling, job evaluation and benchmarking for both executive directors. The job profiling entailed an interview process in order to establish a detailed description of the job, related ouputs, level of decision-making and knowledge and skills required. The Committee was satisfied that EG was independent and objective.

  Following the job profiling, the job evaluation process was completed by EG. We understand that in South Africa, it is accepted practice that executive directors are evaluated on financial and organisational metrics. EG has a robust executive sizing model in place that uses certain factors such as turnover, total assets, listed company, ideal qualifications, experience required and decision making impact in conjunction with the Paterson rules and guidelines as well as up to date job descriptions to perform the job evaluation.

  Following the job evaluation, the benchmarking was performed combining both industry specific and company size specific information thus providing a hybrid benchmark.

  The Committee determined that a hybrid of the "mining industry" and "asset management" was appropriate for the executive directors. In the case of the larger mining entities/asset managers, the remuneration of the divisional executive directors of these entities was used to calculate the benchmark. This was done to ensure that entities of a similar size to Merafe are used for comparative purposes.

  The benchmarking on the hybrid approach concluded that the CEO is paid within the lower to median percentile in respect of total cost to company, whereas the FD was paid below the lower percentile in respect of total cost to company.

- Salary adjustments

  Salary adjustments were made effective 1 March 2017 with increases of 6.5% for the executive directors and 7% for all other staff categories; and for the 2018 financial year, executive directors were given increases of 6.1% plus an additional market adjustment of 2% to address results of the benchmarking exercise in the case of the FD.

- Short-term incentives

  The Committee determined annual shortterm incentives for executives in accordance with the Policy. These duties were carried out for the year under review and the results are tabled in the implementation section of the Report.

- Review of contracts

  The Committee reviews the employment contracts of executive directors on an annual basis. Key terms include a notice period for executive directors of 6 months. In the event of a change of control or a repudiation or breach of an executive directors' contract, the executive director will receive 12 months salary and all benefits that the executive director would have received over a 12 month period. Entitlement to share options or grants would be governed by the Share Incentive Scheme.

See our online integrated annual report for 2017, under remuneration report for our Remuneration Policy.

REMUNERATION POLICY

Statement of fair, responsible and transparent remuneration

The Board approves policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration.

The Policy for the remuneration of executive directors and other senior management is set taking appropriate account of remuneration and employment conditions of the industry, the Venture and the Company's specific circumstances.

Key principles

The Policy is governed by the Committee which regularly reviews the Policy to ensure that it is relevant and supports the Company strategy. To this end, guaranteed remuneration is targeted at the median to lower quartile of the relevant market data (against which we benchmark) to retain and attract high-calibre and high-performing executive directors and employees.

The Policy dictates that all full time employees are members of medical and retirement funds and have group life and disability cover.

Variable pay is an important component of the Policy and both annual and long-term performance-based schemes which support our business strategy are in place.

The short-term incentive scheme performance measures are assessed by the Committee and these measures are determined by taking into account corporate, individual, financial and non-financial criteria. The measures are applicable to the time period to which the scheme relates.

The long-term incentive scheme measures are based on Total Shareholder Return (TSR) and retention.

Executive director remuneration is aligned to shareholder value creation through the long-term scheme.

Where necessary both short-term and long-term incentive schemes are benchmarked against the appropriate databases by the Committee.

Annual salary adjustments are governed by factors such as the consumer price index (CPI), retention strategies, the producer price index (PPI), industry performance, projected growth, contractual arrangements and affordability, and industry average increase surveys, which are taken into consideration in setting the recommended increase. The Committee will approve or set the overall increase percentage that will be applied on a Company-wide basis. Salary adjustments are at the discretion of the Board.

Executive Directors' pay mix

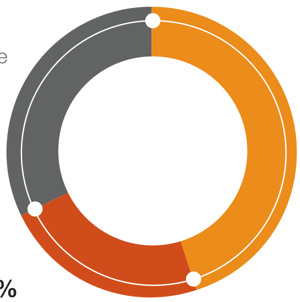
Executive directors' pay mix is defined as the balance targeted between the major components of executive remuneration, namely:

- Guaranteed pay – based on Total Guaranteed Cost to Company (TCtC)
- Variable pay based on performance
  - short-term incentives in the form of annual cash incentives (ACI); and
  - the expected value from long-term (share-based) incentives.

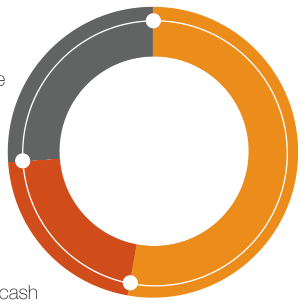
Note: Expected value is defined as the present value of the future reward outcome of an offer, given the targeted future performance of the Company and of its share price. It should not be confused with the term "fair value" which is used when establishing the accounting cost for reflection in a Company's financial statements. Neither should it be confused with the term "face value" which is used to define the current value of the underlying share at the time of an offer.

The Company's targeted pay mix aims to align the incentives of executive directors and employees with the interests of shareholders. It is recognised that through acquisitions and business combinations over time, there will always be some deviation from the targeted pay mix structure across the Company. However the balance between TCtC, targeted ACI and the expected value from LTIP for executives is shown for illustrative purposes in the schematic below.

Chief Executive Officer



Executive director



Guaranteed pay

Merafe aims to establish and maintain an integrated pay line with pay levels that ensure that it is able to remain competitive, whilst managing costs.

Executive directors and employees remuneration in respect of guaranteed pay is expressed in terms of TCtC.

An employee's TCtC consists of the following elements:

- Basic salary
- Car and any other cash allowances and/ or perquisites
- Employer contributions to the medical aid
- Employer contributions to the retirement funding
- Employer contributions to risk benefits

Salaries are reviewed annually and are targeted at the median to lower quartile position in the relevant market. The Company conducts periodic market benchmarking exercises against the top management reward surveys conducted by the large consultancies. The benchmark used is the median to lower quartile total guaranteed cost of employment for similar positions in similarly sized listed companies.

The Committee principally considers companies in the South African market (and particularly the mining and resources sector) which have a similar size, complexity and scope to the Company. The Committee also takes into account business performance and prevailing salary practices for other employees in the Company and, when setting individual salaries, the individual's performance and experience in the role.

Short-term incentives

Merafe's annual incentives are aimed at rewarding a combination of both business and individual performance. The bonus pool is determined as a percentage of net profit after tax. Financial and non-financial criteria and individual performance determine the bonus pool's distribution to individuals. Bonuses are awarded at the discretion of the Board.

During February 2016, a decision was made by the Committee to follow a less mechanistic approach to determining the award of bonuses. As indicated above, the incentive scheme performance measures are assessed by the Committee and these measures are determined by taking into account corporate, individual, financial and non-financial criteria.

The total short-term incentive pool available is capped at 3% of net profit after tax. No bonuses are payable where the net profit after tax in any financial year is less than R100 million.

Remuneration report (continued)

In addition, the percentage for short-term incentives is capped for the various categories of employees as set out below:

Position	Maximum % of TCTC
Chief Executive Officer	100
Financial Director	80
Senior management	60
Management	50
Administrative staff	30

These metrics are assessed against a five point scale as follows:

1. poor
2. needs improvement
3. satisfactory
4. good
5. outstanding

- Individual performance is assessed from predetermined criteria of key performance areas or value drivers. The selection of these is informed by the Company's business plan;
- the final bonus calculation is undertaken by aggregating the bonus claims of all participants and comparing this with the bonus pool derived from Company performance; and
- no more and no less is to be paid out in bonuses than exists in the bonus pool, and thus each individual's bonus claim is calculated in order to aggregate to the bonus pool.

Long term incentives

Share Incentive Scheme

On 13 April 2010, a share incentive scheme was approved by shareholders and share grants were awarded from 2010 under the new incentive scheme.

Share grants are awarded by the Board on the recommendation of the Committee. They vest in thirds on the third, fourth and fifth anniversaries of the grant date and are settled either by physical delivery of shares or the Company has the right to settle in cash the difference between the exercise price and the grant price.

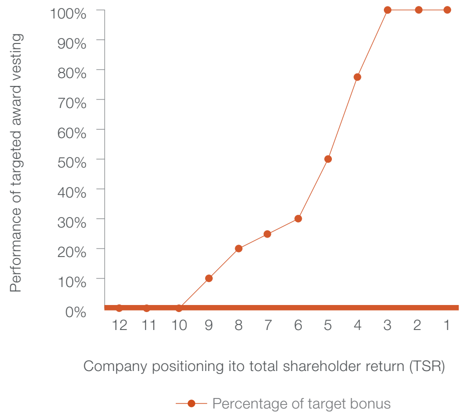
During 2013, and as previously reported, a decision was taken by the Committee to vary the balance between performance and retention-oriented grants or options awarded in future and also to simplify the performance criteria that determine vesting of the performance grants.

The balance between performance oriented share grants and the retention-oriented share grants for the CEO is weighted 70% in favour of performance oriented share grants. For executive directors and senior managers these percentages will be 60% and 50% respectively. All other employees will receive only retention-oriented share grants.

The performance criteria for existing performance oriented share grants made prior to 2013 will remain in place, but award grants after 2013 are governed by a single performance metric that compares Merafe's Total Shareholder Return ("TSR") over a three year period with that of a selection of JSE listed, small cap mining and resources companies (top 12) comprised as follows:

Royal Bafokeng Platinum Limited (RBP), PAN African Resources PLC (PAN), Tharisa PLL (THA), Lonmin PLC (LON), Merafe Resources Limited (MRF), Tawana Resources NL (TAW), DRDGOLD Limited (DRD), Resource Generation Limited (RSG), MC Mining Limited (MCZ), Wesizwe Platinum Limited (WEZ), Orion Mineral NL (ORN) and Atlatsa Resources Corporation (ATL)

Assuming that this group of 12 companies (including Merafe) is adopted as the peer group of companies, vesting of the performance-oriented share grants will be in accordance with the following:



Performance/vesting curve

- If Merafe's TSR measured over the three-year period places it in one of the top three positions, then the full number of performance granted shares will vest in equal proportions on the third, fourth and fifth anniversaries of their grant date.
- If Merafe's TSR measured over the three year period places it in 6th position, then one third of the number of performance shares granted will vest in equal proportions on the third, fourth and fifth anniversaries of their grant date.
- If Merafe's TSR over the three year period places it at or below 10th position, then none of the shares granted will vest.
- If Merafe's performance over the three-year period lies between any of the above points, then a prorated number of performance shares granted will vest in equal proportions on the third, fourth and fifthh anniversaries of their grant date.

Share Incentive Scheme Principles

The provisions of the Share Grant Scheme are as follows.

- Share options/grants will only be made at the discretion of the Board as and when circumstances dictate.
- No offer shall be made which would together with any other scheme shares exceed 10% of total issued shares capital of the Company.
- The maximum aggregate number of grant shares or options granted to a single participant, shall be limited to 1% of the total issues share capital of the Company.
- Full value share offers will be made annually to employees, the expected value of which will be dictated by the Company's Reward Strategy – Pay Mix.
- Performance vesting share awards and retention-oriented share grants will be offered to senior managers and above, with the proportion of performance versus retention increasing with seniority.
- Retention grants only will be granted to managers and administration staff.
- The performance award value will be calculated as a percentage of the current TCtC guaranteed package
- The retention grant value will in any year, at the discretion of the Board, be either calculated as a percentage of the current TCtC guaranteed package, or as a percentage of the past year's annual incentive payout.
- Performance-oriented share awards and retention-oriented grants are offered to senior managers and above, with the proportion of awards, in relation to grants, increasing with seniority as per Table A set out on page 45.

Details of executive and management remuneration in 2017 can be found on page 45 of this report.

Share options and share awards and/or grants offered to directors under the share incentive scheme are set out on pages 46 and 47 of this report.

Table A

	Participant numbers	LTIP (expected value)	Target offer value	Balance performance/ retention	Award value (performance)	Target grant value (retention)
		% TCtC	% TCtC		% TCtC	% TCtC
Chief Executive Officer	1	70	50	70/30	35	15
Executive director	1	50	35	60/40	21	14
Senior management	2	40	30	50/50	15	15
Management	1	30	25	0/100		25
Administration	1	20	15	0/100		15

Clawbacks

Any remuneration previously paid to executive directors, that is subsequently found to have been as a result of criminal or otherwise illegal activities, must be repaid to the Company.

In the event of restatement of the Company's results (other than a restatement caused by a change in accounting policy, standards or interpretation) which results in lower performance-based remuneration had it been calculated on the restated results, the Committee shall review such performance-based remuneration, determine the amount to be recovered from the executive and take steps to recover the amount.

Non-executive directors' fees

The remuneration of non-executive directors is provided in the context of good governance, and is primarily based upon a methodology which takes into account expertise, contribution by the director and attendance. Standard duties of non-executive directors include preparation for and attendance at Board meetings, attending AGMs and results presentations. Independent benchmark advice is sought as to levels of remuneration for non-executive directors and the Policy is that non-executive directors will be remunerated between the lower quartile and median using the hybrid companies methodology indicated under the executive benchmarking exercise detailed above. Non-executive directors' fees will be tabled for approval by the shareholders of the Company on an annual basis. The fees paid to different roles such as chairman may vary from the fees paid to other non-executive directors. The remuneration of non-executive directors will be split between 40% in relation to fees for attendance at meetings and 60% in relation to fees for retention. Attendance at meetings will include scheduled Board meetings and special Board meetings. Retention fees will include inter alia attendance at site visits, round robin resolutions/decisions and strategy sessions.

Non-executive directors do not participate in any share based incentive scheme or any other incentive scheme that the Company may implement.

IMPLEMENTATION REPORT FOR 2017

The implementation of the Policy approved by shareholders at the AGM in May 2017 is set out below:

Executive pay

	2017 R'000	2016 R'000
ZJ Matlala		
Salary	4 310	4 027
Bonus	4 422	4 060
Fringe benefits and leave pay	133	167
Provident contributions	350	432
Share grants vested	4 574*	2 733
Share options vested	1 911*	–
Total	15 700	11 419

	2017 R'000	2016 R'000
K Bissessor		
Salary	1 927	1 870
Bonus	1 796	1 649
Fringe benefits and leave pay	143	350
Provident contributions	292	312
Share grants vested	650*	262
Share options vested	3 090*	–
Total	7 898	4 443

** See the 2017 integrated online report for additional information regarding the calculation of the value of the options exercised.*

Remuneration report (continued)

Short-term incentives

The executive directors were assessed by the Committee according to the table set out below which was then used as a basis for awarding bonuses for 2017.

Key factors	Key measurement items	Score out of 5 2017
Profitability	EBITDA compared to budget and previous year	5
Funding	Meeting debt covenants and maintaining healthy Board agreed debt levels	5
Growth of business	Grow assets and revenue	4
Cost management	Effective cost management at Ventures and Merafe level	4.5
Sustainability	BEE rating on amended scorecard, Corporate Social Investment, Environmental incidents	4.5
Safety	Total Recordable Injury Frequency Rate, Fatalities	2.5
Stakeholder engagement	Stakeholder engagement programme including interactions with SARS, partners, shareholders, employees, etc	5
Talent management	Succession planning, managing employees, training, mentoring	5
Reporting	Interim and annual reporting and engagement with stakeholders	5
Total Rating		4.5

As per the Policy, the Committee applied a less mechanistic and more holistic approach which has resulted in the following bonus allocation:

	2017 % allocation of cost to Company	2016 % allocation of cost to Company
Chief Executive Officer	90%	88%
Financial Director	81%	70%

Long-term incentives

Long-term incentives – 2017 (refer to website for full section)

The award of long-term incentives for 2017 under the Company's share option and grant schemes are set out below.

Share grants and options that vested in 2017 were as follows:

Chief Executive Officer

Share Grants

Number of shares	Rand value
3 058 861	4 574 486

Share options

Number of shares	Rand value
5 309 546	1 911 436

Financial Director

Share Grants

Number of shares	Rand value
373 536	650 049

Share options

Number of shares	Rand value
3 000 000	3 090 000

Performance conditions

The performance conditions relating to share awards made prior to 2013 are capacity growth, assets under management, JSE SRI Index, JSE Small Capitalisation Index and Mining Index. The performance conditions relating to share awards made post 2013 is a single performance metric that requires Merafe's TSR to be in a position amongst a group of companies over a three-year period.

Long-term incentives – 2016

The award of long-term incentives for 2016 under the Company's share option and grant schemes are set out below.

Chief Executive Officer

Share Grants

Number of shares	Rand value
3 006 630	2 733 411

Financial Director

Share Grants

Number of shares	Rand value
327 546	262 193

Share awards outstanding at 31 December 2017

Share options and grants outstanding at 31 December 2017 in favour of directors and prescribed officers are as set out below:

Name	Vesting date	Number
Z Matlala	2018 – 2022	8 770 249
K Bissessor	2018 – 2022	2 840 872
Total		11 611 121
Percentage of issued share capital		0.46%

Share grant allocations were implemented as follows, based on the VWAP of the previous day's trading:

	2017			2016		
	% allocation of cost to Company	Number of shares	Vesting period	% allocation of cost to Company	Number of shares	Vesting period
Chief Executive Officer	50%	1 381 299	1 April 2020 1 April 2021 1 April 2022	50%	2 824 227	1 April 2019 1 April 2020 1 April 2021
Financial Director	35%	490 995	1 April 2020 1 April 2021 1 April 2022	35%	1 003 905	1 April 2019 1 April 2020 1 April 2021

Note: As per the Policy, 70% and 60% of the grants allocated are subject to performance conditions for the CEO and FD respectively, for both the 2016 and 2017 year.

Non-executive directors' fees

Non-executive directors' fees approved for 2017

The fees for non-executive directors set out below are in accordance with the fees approved by shareholders at the 2017 AGM:

	2017					
	Fees per annum 2017	Retainer 60%	Monthly Retainer fees	Retainer per quarter	Fees per attandance 40%	Fees per attendance per meeting
Board Chairman	541 521	324 913	27 076	81 228	216 608	54 152
Members	265 350	159 210	13 268	39 803	106 140	26 535
Audit & Risk Committee Chairperson	191 500	114 900	9 575	28 725	76 600	19 150
Audit & Risk Committee members	120 085	72 051	6 004	18 013	48 034	12 009
Remuneration and Nomination Committee Chairperson	103 515	62 109	5 176	15 527	41 406	10 352
Remuneration and Nomination Committee members	63 185	37 911	3 159	9 478	25 274	6 319
Social, Ethics and Transformation Committee Chairperson	103 515	62 109	5 176	15 527	41 406	10 352
Social, Ethics and Transformation Committee members	63 185	37 911	3 159	9 478	25 274	6 319

Non-executive directors fees paid for 2017	2017 R'000	2016 R'000
C Molefe	651	606
A Mngomezulu	467	464
BN Majova	442	479
M Mosweu	289	256
Z van der Walt*	–	98
K Nondumo	430	430
S Blankfield	322	322
Total	2 601	2 655

**Retired during 2016*

Non-executive directors fees proposed for 2018

The 2018 proposed fees in accordance with the Policy are set out below. A 6.1% increase is proposed from the previous year. This increase takes account of the benchmarking execise and inflation.

	Fees per annum 2018	Retainer 60%	Monthly Retainer fees	Retainer per quarter	Fees per attandance 40%	Fees per attendance per meeting
Board Chairman	574 554	344 733	28 728	86 183	229 821	57 455
Members	281 537	168 922	14 077	42 231	112 615	28 154
Audit & Risk Committee Chairperson	203 182	121 909	10 159	30 477	81 273	20 318
Audit & Risk Committee members	127 410	76 446	6 370	19 112	50 964	12 741
Remuneration and Nomination Committee Chairperson	109 830	65 898	5 492	16 474	43 932	10 983
Remuneration and Nomination Committee members	67 040	40 224	3 352	10 056	26 816	6 704
Social, Ethics and Transformation Committee Chairperson	109 830	65 898	5 492	16 474	43 932	10 983
Social, Ethics and Transformation Committee members	67 040	40 224	3 352	10 056	26 816	6 704

AREAS OF FOCUS FOR 2018

Key activities for the Committee in 2018 will be, inter alia, the approval of the remuneration and bonuses for executive directors and senior management. The Committee will also assess fees to be paid to non-executive directors. Focus will be placed on the key principles of King IV and the Company's commitment to these principles. In addition, the Company will, if required, engage with shareholders to discuss issues of mutal concern.

COMPLIANCE STATEMENT

The Board and the Committee are committed to maintaining high standards of corporate governance and to support and apply the principles of good governance advocated by the South African Institute of Directors (IoD) and King IV.

The Board and the Committee are of the view that the objectives stated in the Policy have been achieved for the period under review. The Board and the Committee are also satisfied that they have fulfilled their responsibilities in accordance with their terms of reference with regard to remuneration within the Company.

See the 2017 integrated online report and the annual financial statements for additional and supporting information.

Merafe Resources Limited

Remuneration Policy

Annexure A

LONG-TERM INCENTIVES – 2017

Share grants and options that vested in 2017 were as follows:

Chief Executive Officer

Share grants

Vesting date	Grant date	Number of shares	Exercise price	Rand value of shares	Performance conditions met
March 2017	March 2013	759 575	1,87	1 420 405	b
April 2017	April 2014	626 752	1,67	1 046 676	b
May 2017	May 2012	183 951	1,57	288 803	a
June 2017	June 2012	1 488 583	1,22	1 818 602	a
Total		**3 058 861**		**4 574 486**	

Share options

Vesting date	Grant date	Number of options	Issue price	Exercise price	Rand value of gain	Performance conditions met
March 2017	October 2010	5 309 546	1,36	1,72	1 911 436,56	a

Financial Director

Share grants

Vesting date	Grant date	Number of shares	Exercise price	Rand value of shares	Performance conditions met
March 2017	March 2013	166 600	1,87	311 542	b
April 2017	April 2014	136 182	1,67	227 424	b
May 2017	May 2012	70 754	1,57	111 084	a
Total		**373 536**		**650 050**	

Share options

Vesting date	Grant date	Number of options	Issue price	Exercise price	Rand value of gain	Performance conditions met
March 2017	March 2009	3 000 000	0,69	1,72	3 090 000,00	Not applicable as pre 2010

PERFORMANCE CONDITIONS

The performance conditions relating to share awards are set out below:

a – Performance conditions for shares granted before 2013

Condition	Type	Weighting %	Conditions met
Capacity growth	Non-market	25	√
Assets under management	Non-market	25	√
JSE SRI Index	Non-market	25	√

JSE Small Capitalisation Index and Mining Index	Non-market	25	√

b – Performance conditions for shares granted post 2013

Condition	Condition met
Single performance metric that requires Merafe's Total Shareholder Return ("TSR") to be in the top 3 of determined comparator group of 12 companies over a three-year period.	√

Top 3 of the peer

LONG-TERM INCENTIVES – 2016

Share grants and options that vested in 2016 were as follows:

Chief Executive Officer

Share Grants

Vesting date	Grant date	Number of shares	Exercise price	Rand value of shares	Performance conditions met
October 2016	October 2010	399 957	1,00	398 157	c
April 2016	April 2011	174 563	0,77	134 414	a
May 2016	May 2012	183 952	0,9	158 934	a
June 2016	June 2012	1 488 583	0,97	1 441 841	a
March 2016	March 2013	759 575	0,79	600 065	b
Total		**3 006 630**		**2 733 411**	

Financial Director

Share Grants

Vesting date	Grant date	Number of shares	Exercise price	Rand value of shares	Performance conditions met
April 2016	April 2011	90 192	0,77	69 448	a
May 2016	May 2012	70 754	0,864	61 131	a
March 2016	March 2013	166 600	0,79	131 614	b
Total				**262 193**	

a – Performance conditions for shares granted before 2013

Condition	Type	Weighting %	Conditions met
Capacity growth	Non-market	25	√
Assets under management	Non-market	25	√
JSE SRI Index	Non-market	25	√
JSE Small Capitalisation Index and Mining Index	Market	25	√

b – Performance conditions for shares granted post 2013

Condition	Condition met
Single performance metric that requires Merafe's Total Shareholder Return ("TSR") over a three year period.	√

c – Performance conditions for shares granted before 2013

Condition	Type	Weighting %	Conditions met
Capacity growth	Non-market	25	√
Assets under management	Non-market	25	√
JSE SRI Index	Non-market	25	√
JSE Small Capitalisation Index and Mining Index	Market	25	X

SHARE AWARDS OUTSTANDING AT 31 DECEMBER 2017

Share options and grants outstanding at 31 December 2017 in favour of directors and prescribed officers are as set out below:

	Issue date	Vesting date	Number of shares
Z Matlala	06 March 2013	06 March 2018	759 575
Z Matlala	01 April 2014	01 April 2018	626 752
Z Matlala	01 April 2014	01 April 2019	626 752
Z Matlala	01 April 2015	01 April 2018	850 548
Z Matlala	01 April 2015	01 April 2019	850 548
Z Matlala	01 April 2015	01 April 2020	850 548
Z Matlala	01 April 2016	01 April 2019	941 409
Z Matlala	01 April 2016	01 April 2020	941 409
Z Matlala	01 April 2016	01 April 2021	941 409
Z Matlala	01 April 2017	01 April 2020	460 433
Z Matlala	01 April 2017	01 April 2021	460 433
Z Matlala	01 April 2017	01 April 2022	460 433
			8 770 249

	Issue date	Vesting date	Number of shares
K Bissessor	06 March 2013	06 March 2018	166 600
K Bissessor	01 April 2014	01 April 2018	136 182
K Bissessor	01 April 2014	01 April 2019	136 182
K Bissessor	01 April 2015	01 April 2018	302 337
K Bissessor	01 April 2015	01 April 2019	302 337
K Bissessor	01 April 2015	01 April 2020	302 337
K Bissessor	01 April 2016	01 April 2019	334 634
K Bissessor	01 April 2016	01 April 2020	334 634
K Bissessor	01 April 2016	01 April 2021	334 634
K Bissessor	01 April 2017	01 April 2020	163 665
K Bissessor	01 April 2017	01 April 2021	163 665
K Bissessor	01 April 2017	01 April 2022	163 665
			2 840 872

Share grant allocations were implemented as follows, based on the VWAP of the previous day's trading:

	2017	**2017**	**2017**	**2016**	**2016**	**2016**
	% allocation of cost to company	**Number of shares**	**Vesting period**	**% allocation of cost to company**	**Number of shares**	**Vesting period**
Chief Executive Officer	**50%**	**1 381 299**	**1 April 2020 1 April 2021 1 April 2022**	50%	2 824 227	1 April 2019 1 April 2020 1 April 2021
Financial Director	**35%**	**490 995**	**1 April 2020 1 April 2021 1 April 2022**	35%	1 003 902	1 April 2019 1 April 2020 1 April 2021

Note: As per the Policy, 70% and 60% of the grants allocated are subject to performance conditions for the CEO and FD respectively, for both the 2016 and 2017 year.