



SALIENT FEATURES OF BONUS SHARE PLAN FOR RENERGEN LIMITED

Introduction

Renergen Limited ("Renergen" or "the Company") intends to introduce a long-term incentive, namely a Bonus Share Plan ("BSP") which is compliant with leading local and global best practice and will align employee and shareholder interests and serve to incentivise and retain participants. In terms of the BSP a portion of the annual short-term incentive is paid out in cash and a portion is automatically deferred and delivered as Bonus Shares.

Executive directors, prescribed officers, senior management and key employees will be eligible for participation in the BSP.

Instruments under the BSP will allow participants to share in the success of the Company, and be placed in a similar position as shareholders.

The salient features of the BSP are detailed below.

Purpose

The BSP will primarily be used as a tool to incentivize, motivate and retain senior management to deliver the group's business strategy over the long-term. In addition, the BSP will encourage share ownership amongst senior employees.

Details related to Bonus Shares under the BSP are as follows:

- A portion of the annual short-term incentive is deferred and delivered as Bonus Shares. The Bonus Shares are registered in the name of the participant shortly after the award date but the shares are subject to disposal and forfeiture restrictions until the vesting date. The vesting of Bonus Shares is subject to the employment condition.

There will be no prospective performance condition(s) applicable to the Bonus Shares as performance will be tested on the way in to the BSP based on the annual bonus awarded to the Participant. The Bonus Shares will be subject to the employment condition, which is the requirement for continued employment of the participant by Renergen for the duration of the vesting period.



Participants

Eligible employees will include executive directors, prescribed officers, senior management and key employees of Renergen. Participation in the BSP is not a condition of employment, and the Governance, Ethics and Transformation, Social, Compensation Committee (“GETSC”) has the absolute discretion to make an award to any employee in terms of the BSP.

Rights of participants

In terms of the BSP, the participants receive Bonus Shares in the form of forfeitable shares and will become owners of the Bonus Shares from the settlement date, shortly after the award date, and will immediately benefit from dividends and have shareholder voting rights in respect of the Bonus Shares over the vesting period. The Bonus Shares cannot be disposed of by the participant prior to the vesting date and will be subject to forfeiture and disposal restrictions until the vesting date. In order to effect any forfeiture of awards, the Bonus Shares will be held by an escrow agent on behalf of the participant until they vest.

Basis of awards and award levels

In line with best practice, regular, annual awards of Bonus Shares will be made on a consistent basis to ensure long-term shareholder value creation. Award levels will be aligned with market benchmarks.

The number of Bonus Shares awarded to participants will be based on a percentage of the annual bonus that is deferred and delivered as Bonus Shares. Therefore, if no bonus is received in a particular year, the employee will not be eligible to receive an award of Bonus Shares.

Overall award levels will be decided by the GETSC each time that awards are made, by taking into account the particular circumstances at that time e.g. company affordability, retention considerations, and exceptional company performance. Annual awards will be benchmarked and set to a market-related level of remuneration whilst considering the overall affordability thereof to the Company.

Manner of settlement

Following the making of an award of under the BSP, settlement shall take place within 30 (thirty) days of the award date. The rules of the BSP are flexible in order to allow for settlement in any of the following manners:

- by way of a market purchase of shares;



- use of treasury shares;
- issue of shares.

The exact method of settlement will be determined by the GETSC on a case by case basis.

Limits and adjustments

Company limit

The aggregate number of shares which may be settled in terms of the BSP shall not exceed **3,970,630** shares, which equates to approximately 5% (five percent) of the number of issued shares at the date of adoption of the BSP.

In calculating the limit for the BSP, shares issued by the Company or shares held in treasury account which have been used by the Company for settlement, will be included in the company limit. This limit will be calculated to exclude shares purchased in the market in settlement and Bonus Shares awarded under the BSP which do not subsequently vest due to forfeiture.

The GETSC must, where required, adjust the company limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the shares of the company.

The issue of shares as consideration for an acquisition, and the issue of shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Company Limit.

Individual limit

The maximum number of shares settled and vested to any participant under the BSP in will shall not exceed **794,126** shares, which equates to approximately **1%** of the number of issued shares at the date of adoption of the BSP.

For the avoidance of doubt shares which are forfeited, will not be included in the limit.

Consideration

The Participant will give no consideration for and award of shares under the BSP.



Termination of employment

“Fault Termination”

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct or on the basis of abscondment will be classified as “Fault Terminations” and will forfeit all unvested awards of Bonus Shares.

“No Fault Terminations”

Participants terminating employment due to death, ill-health, disability, injury, retrenchment (except to the extent that it constitutes bad leaver termination as set out above), or the sale of a subsidiary company prior to the vesting date, will be classified as “No Fault Terminations” and the following treatment will apply Bonus Shares:

a portion of the award(s) not vested shall vest on date of termination of employment. The portion of the award which shall vest will reflect the number of complete months’ service since the award date to the date of termination of employment over the total number of months in the employment period. The portion of the award that does not vest will lapse.

In the event of participants terminating employment due to retirement, the GETSC will have the discretion to apply the treatment above with regard to other “No Fault Terminations” or to allow the participant to continue to participate in the BSP in accordance with the provisions of the rules.

Change of control

In the event of a change of control of the Company occurring before the vesting date of any award, a portion of the award will vest. The GETSC, having regard to such professional advice as they consider appropriate in the circumstances, has an absolute discretion to accelerate vesting of a portion of awards.

In exercising their discretion, the GETSC may consider the number of complete months served since the award date to the change of control date over the total number of months in the employment period. The portion of the award that does not vest as a result of change of control, will lapse.

Variation of share capital

In the event of a variation in share capital such as a capitalisation issue, subdivision of shares, consolidation of shares etc., participants shall continue to participate in the BSP. The GETSC



may make such adjustment to the award or take such other action to place participants in no worse a position than they were prior to the happening of the relevant event.

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

In the event of a rights issue, a participant shall be entitled to participate in any rights issue in **z**

Liquidation

If the Company is placed into liquidation, other than for purposes of reorganisation, any awards under the BSP shall *ipso facto* lapse as from the liquidation date. Therefore, any unvested Bonus Shares will lapse.

Amendment

The GETSC may alter or vary the rules of the BSP as it sees fit, however amendments to these terms and conditions may only affect awards to participants that have already been made if they are to the advantage of participants, subject to the JSE Listings Requirements and in the following instances the BSP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- the category of persons who are eligible for participation in the BSP;
- the number of shares which may be utilised for the purpose of the BSP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which awards are made;
- the amount payable upon the award, settlement or vesting of an award;
- the voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the Company;
- the adjustment of awards in the event of a variation of capital of the Company or a Change of Control of the Company; and
- the procedure to be adopted in respect of the vesting of awards in the event of termination of employment.



General

The rules of the BSP are available for inspection from 5 October 2017 at the Company's registered office, being **1 Bompas Road, Dunkeld West, 2196**.

In terms of the JSE Listings Requirements, the passing a Special Resolution number 11 requires the approval of a 75% majority of the voting rights exercised on the resolution.

The resolution was passed at the AGM held on the 29 September 2017.



31 May 2017
REF: PP/82640

The Company Secretary
RENERGEN LIMITED

Dear Sir / Madam

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Stock Exchange

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SHARE INCENTIVE AND SHARE OPTION SCHEME

We acknowledge receipt of the abovementioned documentation, and in this regard wish to advise that it has been approved as submitted.

Yours faithfully

**A F VISSER: GENERAL MANAGER
ISSUER REGULATION**

Attention: Rick Irving
MERCHANTEC CAPITAL

E-mail: rick@merchantec.co.za

Executive Directors: NF Newton-King (CEO), A Takoordeen (CFO)

Non-Executive Directors: N Nyembezi-Heita (Chairman), AD Botha, Dr M Jordaan, Dr SP Kana, DM Lawrence, Dr MA Matooane, AM Mazwai, NP Mnxasana, NG Payne

Alternate Directors: JH Burke, LV Parsons

Group Company Secretary: GA Brookes

JSE Limited Reg No: 2005/022939/06 Member of the World Federation of Exchanges

RENERGEN LIMITED

(Registration No. 2014/195093/06)

BONUS SHARE PLAN

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1 INTRODUCTION

- 1.1 The purpose of the BSP is to provide specified Employees of the Employer Companies, with the opportunity of receiving Shares in the Company through the Award of Bonus Shares. The BSP will provide Participants with the opportunity to share in the success of the Company and will provide alignment between the Participants and shareholders.
- 1.2 The BSP will provide that Bonus Shares be awarded. The Annual Bonus of the Participants is Awarded partly in cash and partly as an Award of Bonus Shares, the Vesting of which is subject to the Employment Condition.

2 INTERPRETATION

- 2.1 In these Rules, unless inconsistent with the context, the following words and expressions will have the following meanings:
- 2.1.1 “Accept” the completion of a Notice of Acceptance by an Employee in terms of Rule 5.3.2, and the delivery thereof as indicated in Rule 16 and “Accepted” or “Acceptance” will be construed accordingly;
- 2.1.2 “Act” the Companies Act 71 of 2008 as amended and any re-enactment or replacement thereof;
- 2.1.3 “Annual Bonus” the annual performance bonus to which a Participant may become entitled in any particular Financial Year under the Company’s cash short term incentive schemes;
- 2.1.4 “Auditors” the auditors of the Company from time to time;

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| 2.1.5 | “Award” | <p>an award of a specific number of Bonus Shares to an Employee in terms of the BSP on the basis that a Participant may forfeit the rights to the Bonus Shares in the circumstances set out in the Award Letter and the Rules of the BSP, and “Awarded” will bear a similar meaning;</p> |
| 2.1.6 | “Award Date” | <p>the date, specified in the Award Letter, on which an Award is made to an Employee, being a date not earlier than the date on which the GETC resolved to make such an Award to the Employee, irrespective of the date on which the Award is actually accepted by the Employee;</p> |
| 2.1.7 | “Award Letter” | <p>a letter containing the information specified in Rule 5.2 sent by the Company, or its nominee, on the recommendation of the Employer Company, to an Employee informing the Employee of the Award to him;</p> |
| 2.1.8 | “Bonus Shares” | <p>specified number of Shares Awarded in settlement or part settlement of the Annual Bonus to which a Participant may become entitled in any particular Financial Year under the Company’s Annual Bonus, the Vesting of which is subject to the Employment Condition;</p> |

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| 2.1.9 | “Business Day” | any day on which the JSE is open for the transaction of business; |
| 2.1.10 | “BSP” | The Renergen Limited Bonus Share Plan constituted by these Rules, as amended from time to time; |
| 2.1.11 | “Capitalisation Issue” | a capitalisation issue as contemplated in section 47 of the Act; |
| 2.1.12 | “Change of Control” | where a person (or persons acting together in concert), who did not have Control of the Company through a transaction, or series of transactions, acquires Control of the Company; |
| 2.1.13 | “Change of Control Date” | the date on which the Change of Control of the Company becomes effective; |
| 2.1.14 | “Company” | URENERGEN LIMITED (Registration Number 2014/195093/06); |
| 2.1.15 | “Company Secretary” | the secretary of the Company as appointed in terms of the Act from time to time; |
| 2.1.16 | “Control” | a) the holding of Shares or the aggregate of holdings of Shares or other securities in the Company entitling the holder thereof to exercise, or cause to be exercised, more than 35% (thirty-five percent) of the voting rights in the Company; or |

b) the holding or control by a shareholder or member alone or pursuant to an agreement with other shareholders or members of more than 50% of the voting rights in the Company; or

(c) the entitlement, direct or indirect, to appoint a majority of Directors of the board of Directors of the Company, or to appoint or remove Directors having a majority of the votes exercisable at meetings of the board of Directors of the Company;

2.1.17 “Date of Termination of Employment” the date upon which a Participant is no longer permanently employed by, or ceases to hold permanent salaried office in, any Employer Company, provided that, where a Participant's employment is terminated without notice or on terms in lieu of notice, the Date of Termination of Employment will be deemed to occur on the date on which the termination takes effect, and where such employment is terminated with notice, the Date of Termination of Employment will be deemed to occur upon the date on which that notice expires;

2.1.18 “Directors” the directors of the Company from time to time;

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| 2.1.19 | “Employee” | any person holding permanent salaried employment or office with any Employer Company, excluding any non-executive director of the Group; 14.1 (a) 14.4, 14.5 |
| 2.1.20 | “Employer Company” | a company in the Group which employs an Employee; |
| 2.1.21 | “Employment Condition” | unless otherwise provided in these rules, the condition of continued employment with the Group for the duration of the Employment Period, as specified in the Award Letter; |
| 2.1.22 | Employment Period(s)” | unless otherwise provided in these Rules, the period(s) commencing on the Award Date and ending on the third anniversary (both dates included) during which the Participant is required to fulfil the Employment Condition; |
| 2.1.23 | “Escrow Agent” | the person or entity appointed by the Company from time to time to hold Bonus Shares on behalf of the Participants, subject to the terms and conditions of these Rules; |
| 2.1.24 | “Financial Year” | the financial year of the Company running from 1 March to 28 February of each year, as amended from time to time; |
| 2.1.25 | “GETC” | the Governance, Ethics and Transformation Compensation Committee (GETC) of the board of the Company, the members of which |

do not hold any executive office within the Group; 14.4, 14.5

2.1.26 “Group”

- (i) the Company; and
- (ii) its Subsidiaries from time to time; and
- (iii) such joint ventures as identified by the Directors; and

and the expression “member of the Group” will be construed accordingly;

2.1.27 “JSE”

the exchange operated by the JSE Limited (registration number 2005/022939/06);

2.1.28 “JSE Listings Requirements”

the Listings Requirements as amended from time to time by the JSE by way of practice note or otherwise;

2.1.29 “Liquidation Date”

the date on which any application for the final liquidation of the Company is successful;

2.1.30 “LRA”

the Labour Relations Act 66 of 1995 as amended and any re-enactment or replacement thereof;

2.1.31 “Majority of Operations”

all or the greater part of the assets or undertaking of the Company;

2.1.32 “Market Value”

the volume weighted average price (VWAP) of a Share, as quoted on the JSE, on any particular day on which a determination of the

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| | | Market Value of the Shares is to be made for the purposes of these Rules; |
| 2.1.33 | “Notice of Acceptance” | a notice completed by an Employee, in the format provided by the Company, in respect of the Acceptance of an Award; |
| 2.1.34 | “Participant” | an Employee to whom an Award has been made under this BSP and who has Accepted such Award including the executor or representative of Employee’s deceased estate; |
| 2.1.35 | “Prohibited Period” | a prohibited period as defined in paragraph 3.67 of the JSE Listing Requirements; |
| 2.1.36 | “Purchase Programme” | a purchase programme wherein the dates and quantities of securities to be traded during a Prohibited Period are fixed (not subject to any variation) and which has been submitted to the JSE in writing prior to the commencement of a prohibited period, and in terms of which full details have been disclosed in an announcement over SENS prior to the commencement of a Prohibited Period, which Purchase Programme is in accordance with the provisions of the JSE Listings Requirements; |
| 2.1.37 | “Recharge Policy” | a policy or agreement in force from time to |

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| | | time between the Company and an Employer Company regulating the funding of the Settlement; |
| 2.1.38 | “Retirement” | in relation to a Participant, normal retirement age as determined by the Company, or with the approval of the GETC prior to the normal retirement age; |
| 2.1.39 | “Rights Issue” | the offer of any securities of the Company to all ordinary shareholders of the Company <i>pro</i> <i>rata</i> to their holdings at the record date; |
| 2.1.40 | “Rights Issue Share” | a Share which a Participant can acquire in terms of a Rights Issue by virtue of Shares awarded to him; |
| 2.1.41 | “Rules” | these Rules of the BSP, as amended from time to time; |
| 2.1.42 | “Settlement” | delivery to the Participant of the required number of Bonus Shares in accordance with the Settlement method stipulated in Rule 6.2, the words “Settle” and “Settled” will bear a corresponding meaning; |
| 2.1.43 | “Settlement Date” | the date on which Settlement will occur; |
| 2.1.44 | “Share” | an ordinary share in the capital of the Company; |
| 2.1.45 | “Subsidiary” | a company which is a subsidiary of the |

2.1.46 “Vest” the Bonus Shares Awarded no longer being subject to any restrictions or potential forfeiture as determined according to Rule 8.1, and “Vesting” and “Vested” will be construed accordingly; and

2.2 The headings in these Rules are inserted for reference purposes only and will in no way govern or affect the interpretation hereof.

2.4 Unless the context indicates otherwise, an expression that denotes any gender includes the others; a natural person includes a created entity (corporate or unincorporated) and the singular includes the plural, and vice versa in each case.

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such amendment or re-enactment, the specific requirements of a section referred to in this BSP are changed, the relevant provision of this BSP will be read also as if it had been amended as necessary, without the necessity for an actual amendment.

2.6 When any number of days is prescribed in this BSP, same will be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day will be the next succeeding day which is a Business Day.

2.7 Unless a contrary intention clearly appears -

2.7.1 if figures are referred to in numerals and in words and if there is any conflict between the two, the words will prevail;

2.7.2 the words "include", "including" and "in particular" will be construed as being by way of example or emphasis only and will not be construed as, nor will they take effect as, limiting the generality of any preceding word/s;

2.7.3 any reference in this BSP to another agreement or document will be construed as a reference to such other agreement or document as same may have been, or may from time to time be, amended, varied, novated or supplemented; and

2.7.4 the words "other" and "otherwise" will not be construed *eiusdem generis* with any preceding words if a wider construction is possible.

3 OPERATION OF THIS SHARE PLAN

3.1 **Basis of Awards 14.1(f)**

3.1.1 The GETC may from time to time, in its discretion, call upon the Employer Companies to nominate Employees for participation in the BSP.

- 3.1.2 The GETC will have the final authority to decide:
- 3.1.2.1 which Employees will participate in the BSP in respect of each Award;
 - 3.1.2.2 subject to Rule 4.1, the aggregate annual quantum of Awards to all Employees;
 - 3.1.2.3 the Vesting Date in respect of each Award;
 - 3.1.2.4 all other issues relating to the governance and administration of the BSP.
- 3.1.3 If, and when, the GETC approves an Award, the GETC will notify the Company and the Employer Company of each Employee who has been approved for participation in the BSP.
- 3.1.4 Each Employer Company of an Employee whose participation in the BSP has been approved will in writing acknowledge to the GETC participation of its respective Employees in the BSP.
- 3.1.5 The Company or its nominee will issue an Award Letter to every Employee who has been approved for participation in the BSP as soon as is practically possible after receiving the GETC's notification in terms of Rule 3.1.3.
- 3.1.6 The Company or Employer Companies will, as regulated by the Recharge Policy, remain responsible to procure the Settlement of Shares under the BSP to the Participants employed by them on the Settlement Date, or as may otherwise be regulated under the Recharge Policy.
- 3.1.7 Subsequent to the Award Date, the Bonus Shares will be Settled to the Participant in line with Rule 6 and the Participant will have shareholder rights

from the Settlement Date, subject to the forfeiture and disposal restrictions until the Vesting Date and the remaining provisions of these Rules. 14.1(e)

- 3.1.8 Subject to Rule 9, Vesting of the Bonus Shares which form an Award in terms of Rule 3.1.2.2 will in all instances be subject to the Employment Condition.

4 BONUS SHARE PLAN LIMITS

4.1 Overall Company Limit 14.1(b)

- 4.1.1 Subject to Rule 4.3, the aggregate number of Shares which may be Settled in respect of this BSP to all Participants will not exceed 3,970,630 (three-million nine-hundred and seventy thousand six hundred and thirty) Shares.

- 4.1.2 In determining the number of Shares Settled in respect of this BSP for the purposes contemplated in Rule 4.1.1, the following will be included:

- 4.1.2.1 The number of Shares held in treasury account and which have been utilised by the Company in Settlement of this BSP, as contemplated in Rules 6.2.2 and 6.2.3; and

- 4.1.2.2 The number of Shares issued by the Company in Settlement of this BSP, as contemplated in Rules 6.2.4 and 6.2.5.

- 4.1.3 In determining the number of Shares Settled in respect of this BSP for the purposes contemplated in Rule 4.1.1, the following will be excluded:

- 4.1.3.1 Shares purchased in the market as contemplated in Rule 6.2.1 in Settlement of this BSP; and 14.9(c)

- 4.1.3.2 Bonus Shares comprising Awards under this BSP which do not subsequently Vest in a Participant as a result of the forfeiture thereof.

4.2 **Individual limit 14.1(c)**

Subject to the provisions of Rule 4.3, the maximum number of Shares which may be Settled to any Participant in terms of this BSP will not exceed 794,126 (seven-hundred and ninety four thousand one hundred and twenty six) Shares. BSP Awards which are forfeited will not be considered to be Settled for purposes of this Rule.

4.3 **Adjustments related to BSP Limits 14.1 (b), (c), (d) and (e)**

4.3.1 The GETC must, where required, adjust the number of Shares stated in Rule 4.1.1 (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of Shares. Such adjustment to the number of Shares should give Participants an entitlement to the same proportion of the equity capital of the Company as that to which they were entitled prior to the occurrence of the relevant event. 14.3(a)

4.3.2 The Auditors, or other independent advisor acceptable to the JSE, will confirm to the JSE in writing that any such adjustment made in terms of Rule 4.3.1 has been properly calculated on a reasonable and equitable basis, in accordance with the Rules. 14.3(d)

4.3.3 The issue of Shares as consideration for an acquisition, and the issue of Shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to limits stated in Rules 4.1 and 4.2. 14.3(c)

4.3.4 Any adjustments made in terms of Rules 4.3.1 must be reported on in the Company's financial statements in the year during which the adjustment is made 14.3(e)

5 AWARD OF BONUS SHARES

5.1 Time when Awards may be made

5.1.1 The GETC may make an Award to an Employee in accordance with Rule 3 at any time:

5.1.1.1 after the BSP has been approved by shareholders; and

5.1.1.2 on any day on which there are no restrictions on the making of Awards being restrictions imposed by a Prohibited Period.

5.2 Award Letter

5.2.1 The Award Letter will be in writing and will specify the terms of the Award including:

5.2.1.1 the name of the Employee;

5.2.1.2 the Award Date;

5.2.1.3 the number of Bonus Shares which comprise the Award;

5.2.1.4 the Employment Condition;

5.2.1.5 the Employment Period(s);

5.2.1.6 the Vesting Date; and

5.2.1.7 any other relevant terms and conditions.

5.3 An Award will:

5.3.1 be personal to the Employee to whom it is addressed and may only be acted on by such Employee; and

- 5.3.2 indicate that the Employee must Accept the Award either in writing or by electronic means within the period specified in the Award (being a period of not more than 30 (thirty) days after the Award Date); and
- 5.3.3 state that it is made on the terms and subject to the conditions of the Rules of the BSP.
- 5.4 Save for Securities Transfer Tax which the Employer Company may recover from the Participant, the Participant will give no consideration for the Award. The method of recovering the Securities Transfer Tax amount will be agreed between the Employer Company and the Participant prior to the Settlement Date and, failing such agreement being reached, the Employer Company may withhold such amount required from the Participant's salary or other payments due to him from the Employer Company. 14.1(d)(i)

6 SETTLEMENT

- 6.1 Following the making of an Award of Bonus Shares, the Company or relevant Employer Company will within 30 (thirty) days of the Award Date procure the Settlement of that number of Bonus Shares to the Participant in accordance with the Settlement methods described in Rule 6.2.
- 6.2 Any one of the following Settlement methods may be used, as directed by the Governance, Ethics and Transformation Compensation Committee (GETC):
- 6.2.1 The Company or relevant Employer Company will incur an expense by making a cash contribution to any third party equal in value to the required number of Shares in Settlement of the Award on the basis that the third party will acquire the required number of Shares on the market and effect Settlement to the Participants; or 14.9(c)

- 6.2.2 The relevant Employer Company by which that Participant is employed will use Shares held in treasury account and effect Settlement to that Participant; or
- 6.2.3 The Company or relevant Employer Company by which that Participant is employed will incur an expense by paying the purchase consideration to any Subsidiary, other than an Employer Company, which holds Shares in treasury account, on the basis that the Subsidiary will deliver to a Participant, for the purpose of discharging the Company or relevant Employer Company's obligation to effect Settlement to that Participant. The purchase consideration which the Company or relevant Employer Company will pay to the Subsidiary will be either:
- 6.2.3.1 the Market Value per Share on the Settlement Date; or
 - 6.2.3.2 any other minimum value per Share as prescribed in the Act; or
 - 6.2.3.3 an amount equal to the cost incurred by the Subsidiary in acquiring the Shares held in treasury; or
- 6.2.4 The Company or relevant Employer Company will incur an expense by paying the purchase consideration to a third party equal in value to the subscription price of the Shares concerned, on the basis that the third party will acquire the number of Shares required for the purpose of discharging such the Company or Employer Company's obligation to deliver Shares to Participants and effect Settlement to the Participant, by way of subscription for new Shares to be issued by the Company, for a subscription price per Share of either:
- 6.2.4.1 the Market Value per Share on the Settlement Date; or
 - 6.2.4.2 any other minimum value per Share as prescribed in the Act; or
- 6.2.5 The Company will issue Shares to the Participants.

- 6.3 Where the Company issues the Shares or incurs costs in the Settlement of an Award, whether in the form of the cash contribution or otherwise, the Company will recharge such costs to the relevant Employer Company in terms of the Recharge Policy.
- 6.4 Shares intended for use in the Settlement of the BSP may not be purchased during a Prohibited Period unless a Purchase Programme is in place. 14.9(e)
- 6.5 In the event that Shares are purchased during a Prohibited Period in accordance with the provisions of a Purchase Programme, an announcement must be made pursuant to paragraphs 3.63 – 3.74 (director dealings) of the JSE Listings Requirements which will include a statement confirming that the purchase was put in place pursuant to a Purchase Programme. 14.9(f)

7 OWNERSHIP IN RESPECT OF AWARDS AND PARTICIPANT'S RIGHTS BEFORE THE VESTING DATE

- 7.1 Following the Settlement of an Award, the GETC will procure that the Bonus Shares are held by the Escrow Agent for the absolute benefit of the Participants as owners of the Bonus Shares, but subject to the provisions of Rule 9. The Bonus Shares may not be disposed of or otherwise encumbered at any time from the date of their Settlement, up to and including the Vesting Date, except on that Participant's death (as envisaged in Rule 9.2) his Bonus Shares may be transferred to the executor or representative of his deceased estate. 14.9(b)
- 7.2 The Bonus Shares will be subject to the control of the Escrow Agent acting on instructions from the Company from the Settlement Date up to and including the Vesting Date, following which the Company will, subject to Rule 9, will procure the release of the Bonus Shares from the Escrow Agent free from any further restrictions. 14.9(b) (ii)

- 7.3 Following the Settlement of an Award, the GETC will procure that the Bonus Shares are held by the Escrow Agent for the absolute benefit of the Participants as owners of the Bonus Shares, but subject to the provisions of Rule 9. The Bonus Shares may not be disposed of or otherwise encumbered at any time from the date of their Settlement, up to and including the Vesting Date, except on that Participant's death (as envisaged in Rule 9.2) his Bonus Shares may be transferred to the executor or representative of his deceased estate. 14.9(b)
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- 7.5 Following the Settlement of an Award, the GETC will procure that the Bonus Shares are held by the Escrow Agent for the absolute benefit of the Participants as owners of the Bonus Shares, but subject to the provisions of Rule 9. The Bonus Shares may not be disposed of or otherwise encumbered at any time from the date of their Settlement, up to and including the Vesting Date, except on that Participant's death (as envisaged in Rule 9.2) his Bonus Shares may be transferred to the executor or representative of his deceased estate. 14.9(b)
- 7.6 The Bonus Shares will be subject to the control of the Escrow Agent acting on instructions from the Company from the Settlement Date up to and including the Vesting Date, following which the Company will, subject to Rule 9, procure the release of the Bonus Shares from the Escrow Agent free from any further restrictions. 14.9(b) (ii)

Except for the restrictions envisaged in Rule 7.5, the Participant has all other shareholder rights, including voting and dividend rights, in respect of Bonus Shares from the Settlement Date and the Bonus Shares will rank *pari passu* with existing shares. To the extent that the Participant does not exercise his rights as shareholder, they may not be exercised by the Escrow Agent. 14.1(e)

7.7 The Participant will provide his Employer Company with, and the Participant will consent to his Employer Company furnishing the Escrow Agent with, any information relating the Participant's identification that the Escrow Agent may require in order to ensure compliance with the Financial Intelligence Centre Act, 2001 or any other applicable legislation.

7.8 The Participant will, where required, enter into a written agreement with the Escrow Agent, in a form approved by the Employer Company, relating to the holding of the Bonus Shares by the Escrow Agent until the Vesting Date.

7.9 The Employer Company will not be liable for any loss or damage arising from any act or omission of the Escrow Agent, any central securities depository participant ("CSDP") engaged by the Escrow Agent, any employee, director, or representative of the Escrow Agent or such CSDP in connection with or arising out of the holding of, or transacting in, the Shares.

8 VESTING OF AWARDS OF BONUS SHARES

- 8.1 Subject to Rules 9 and 10, Bonus Shares will Vest on the later of:
- 8.1.1 the date on which the Participant has satisfied the Employment Condition(s) as specified in the Award Letter; and
- 8.1.2 to the extent applicable, the date on which any other conditions imposed have been satisfied.
- 8.2 The effect of an Award Vesting will be that the restrictions imposed on the Award of Bonus Shares, where applicable, will cease to apply and the risk of forfeiture will lift.

9 **TERMINATION OF EMPLOYMENT AND DEATH** ^{14.1(h)}

9.1 **Fault Termination**

- 9.1.1 If a Participant's employment with any Employer Company terminates before the Vesting Date by reason of the following, it will be designated as "Fault Termination":
- 9.1.1.1 his resignation; or
- 9.1.1.2 dismissal on grounds of misconduct, proven poor performance, dishonest or fraudulent conduct or conduct against the interest of the Group or its shareholders (whether such cessation occurs as a result of notice given by him or otherwise or where he resigns to avoid dismissal on ground of misconduct, poor performance, dishonest or fraudulent conduct); or
- 9.1.1.3 his abscondment.
- 9.1.2 In the event of a Fault Termination, all unvested Awards of Bonus Shares made to him will be forfeited in their entirety and will lapse immediately on the Date of Termination of Employment. For the avoidance of doubt, any Awards which have

already Vested will be unaffected by this provision.

- 9.1.3 For the purposes of this Rule 9, a Participant will not be treated as ceasing to be an Employee of an Employer Company if, on the same date on which he ceases to be an Employee of an Employer Company, he is employed by another Employer Company.

9.2 No Fault Termination

- 9.2.1 If a Participant's employment with any Employer Company terminates prior to the Vesting Date by reason of the following, it will be designated as a "No Fault Termination":

9.2.1.1 death; or

9.2.1.2 Retirement, except where Retirement is elected as the cause of termination of employment in instances which would have warranted cessation of employment in terms of Rule 9.1; or

9.2.1.3 retrenchment based on operational requirements as contemplated in the LRA; or

9.2.1.4 injury, disability or ill-health, in each case as certified by a qualified medical practitioner nominated by the relevant Employer Company and determined to the satisfaction of the GETC; or

9.2.1.5 the Participant's Employer Company ceasing to be a member of the Group or the undertaking in which he is employed being transferred to a transferee which is not a member of the Group.

- 9.2.2 In the event of a No Fault Termination, other than Retirement, a portion of the Participant's unvested Awards will Vest on the Date of Termination of Employment. The portion of the Award which will Vest will reflect the number of

complete months' service since Award Date to the Date of Termination of Employment, over the total number of months in the Employment period.

9.2.3 In the event of Retirement, the GETC shall have the discretion to determine that a portion of the Award shall Vest as set-out in Rule 9.2.2 above, or to allow the Participant to continue to participate in the BSP in accordance with these Rules.

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

9.2.5 For the avoidance of doubt, any Awards of Bonus Shares which have already Vested will be unaffected by this provision.

9.3 **Exceptional circumstances**

9.3.1 Subject to the GETC determining otherwise in its absolute discretion, if the Participant ceases to be in the employment of any Employer Company before the Vesting Date for any other reason, a portion of his Award will vest on the Date of Termination of Employment or as soon as reasonably practicable thereafter. The portion of the Award which will Vest will be calculated in accordance with Rule 9.2.2. The portion of the Award that does not Vest will lapse on the Date of Termination of Employment.

9.3.2 For the avoidance of doubt, any Awards which have already Vested will be unaffected by this provision.

10 **CHANGE OF CONTROL 14.1 (g)**

10.1 If an offer is made which if implemented, may directly result in a Change of Control of the Company occurring before the Vesting Date of any particular Award, and which will result in:

10.1.1 the Shares ceasing to be listed on the JSE; or;

10.1.2 the Majority of Operations of the Company being merged with those of another company or companies; or

10.1.3 the BSP being terminated;

the GETC, having regard to such professional advice as they consider appropriate in the circumstances, has an absolute discretion to accelerate Vesting of a portion of Awards.

10.2 In exercising their discretion, the GETC may consider the number of complete months served since the Award Date to the Change of Control Date over the total number of months in the Employment Period.

10.3 To the extent that there is more than one Vesting Date and more than one Employment Period in respect of a particular Award, the calculation set out in Rule 10.2 will be carried out in respect of each Employment Period.

10.4 The portion of the Award that does not Vest as a result of the Change of Control will lapse.

11 **RIGHTS ISSUE** 14.3(b)

11.1 In the event of a Rights Issue, a Participant will be entitled to participate in any Rights Issue in respect of his Bonus Shares.

11.2 If a Rights Issue to the shareholders of the Company is proposed, the GETC will notify the Participants holding Awards of Bonus Shares of that Rights Issue in writing. The written notice will specify:

11.2.1 the terms and conditions of the Rights Issue as contained in the letter of allocation accompanying the Rights Issue;

- 11.2.2 the number of Rights Issue Shares offered;
- 11.2.3 the price payable in respect of the Rights Issue Shares and any applicable costs to the purchase of the Rights Issue Shares; and
- 11.2.4 the date by which the Participant should notify the GETC if he intends to purchase the Rights Issue Shares;
- 11.3 If any Participant holding Awards of Bonus Shares intends to purchase the Rights Issue Shares he will:
 - 11.3.1 notify the GETC of his intention by the date specified in the notice sent to him in terms of Rule 11.2;
 - 11.3.2 simultaneously pay the full price in respect of the Rights Issue Shares and costs incidental to the purchase of the Rights Issue Shares, including Securities Transfer Tax; and
 - 11.3.3 be deemed to have authorised the Escrow Agent to take all necessary steps and sign all documents to purchase the Rights Issue Shares for his benefit.
- 11.4 If the Participant fails to notify the GETC of his intention to purchase the Rights Issue Shares by the date specified in the notice in terms of Rule 11.2 he will be deemed to have waived his right to take up any Rights Issue Shares in terms of the Rights Issue. In this instance the Escrow Agent will sell the rights pertaining to the Rights Issue on behalf of the Participant and remit such proceeds to such Participant.
- 11.5 The Rights Issue Shares will not be subject to any restrictions in terms of the BSP and will Vest immediately upon acquisition in terms of the Rights Issue.

- 11.6 If the Company is placed into liquidation, other than for purposes of reorganisation, an Award of Bonus Shares will *ipso facto* lapse as from the Liquidation Date. 14.1(e)

12 FORFEITURE AND LAPSE OF AWARDS

- 12.1 Notwithstanding any other provision of the Rules, an Award will lapse on the earliest of:
- 12.1.1 The GETC determining that any further condition imposed under Rule 5.2, in relation to Bonus Shares, has not been satisfied either in whole or in part in respect of the Award and can no longer be satisfied;
- 12.1.2 Subject to Rule 9, the Date of Termination of Employment;
- 12.1.3 The Liquidation Date, in accordance with Rule 11.6; and
- 12.2 If Bonus Shares are forfeited under the BSP, the Company retains the right to: 14.9(b) (i)
- 12.2.1 allocate the Bonus Shares so forfeited for new Awards to Employees identified in terms of Rule 3; or
- 12.2.2 instruct the Escrow Agent to sell or to procure the sale of any forfeited Bonus Shares on such terms as the Company may consider appropriate subject to the JSE Listings Requirements.
- 12.3 From the date that Bonus Shares are forfeited in terms of Rule 12.1 until such time as the Bonus Shares are Settled to a new Participant in terms of Rule 12.2.1 or sold in terms of Rule 12.2.2, these Shares will not have their votes at general meetings or annual general meetings taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements and

will not be taken into account for the purposes of determining categorisations as detailed in section 9 of the JSE Listings Requirements. 14.10

- 12.4 Upon the sale referred to in Rule 12.2.2, the Company or Employer Company will retain the proceeds of any sale net of any deductions that may be owing to the Escrow Agent.

13 FURTHER CONDITIONS

- 13.1 An Employer Company may withhold any amount required:
- 13.1.1 to meet any costs in respect of the Vesting of the Bonus Shares for which the Participant is liable; or
- 13.1.2 for employees' tax,
- from the Participant's remuneration or any other amount due by the Employer Company to the Participant.
- 13.2 The Award Letter will also stipulate the various options the Participant has in respect of settling any tax liability arising from the Vesting of Bonus Shares as well as who will be responsible for any brokerage costs arising from the Award of Shares.
- 13.3 On the Vesting of the Awards, in order to meet any costs related to taxation of the Awards, the Participant will have the option to advise the Company to:
- 13.3.1 Sell or to procure the sale of all the Shares and remit the amount equal to the tax on the Shares, to the Company; or
- 13.3.2 Sell as many Shares as will cover the taxation owed; or
- 13.3.3 Pay the amount equal to the tax due on the Shares, to the Company.

- 13.4 The Employer Company will delay the Settlement or Vesting of the Award to the Participant if the acquisition or disposal of the Shares would otherwise:
- 13.4.1 occur during a Prohibited Period unless a Purchase Programme is in place; or
 - 13.4.2 be in contravention of any code adopted by the Company relating to dealings in securities by directors; or
 - 13.4.3 be prohibited by insider trading legislation or any other legislation or regulations, until such time as the Settlement or Vesting of the Award will no longer constitute such a contravention.
- 13.5 The rights of Participants in terms of this BSP are determined exclusively by these Rules.
- 13.6 Except as otherwise provided in the Rules, the Participant has no right to any compensation, damages or any other sum or benefit by reason of the fact that:
- 13.6.1 he ceased to be a Participant in the BSP; or
 - 13.6.2 any of his rights or expectations under this BSP were reduced or lost.
- 13.7 Shares will only be issued or purchased once a Participant has been formally identified. 14.9(a)
- 13.8 The Company will ensure compliance with paragraphs 3.63 – 3.74 (director dealings) of the Listings Requirements. 14.9(d)
- 13.9 Where a Participant is transferred from one Employer Company to another Employer Company:
- 13.9.1 all Awards granted to such Participant by the first Employer Company will remain in force on the same terms and conditions as set out in these Rules; and

13.9.2 the second Employer Company will assume a pro-rata portion of the first Employer Company's obligations in respect of the relevant Awards in consideration for obtaining the Participant's services from the first Employer Company.

13.10 The issue of Shares to Employees which do not fall under the Rules of this BSP will be treated as a specific issue for cash as contemplated in paragraph 5.51 of the JSE Listings Requirements. 14.11

14 DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS 14.8

The Company will disclose in its annual financial statements, to the extent required by the Act or the JSE Listings Requirements, the number of Shares that may be utilised for purposes of the BSP at the beginning of the accounting period and changes in such number during the accounting period and the balance of securities available for utilisation for purposes of the BSP at the end of the accounting period.

15 AMENDMENTS AND TERMINATION 14.2

15.1 Subject as provided in this Rule 15, the GETC may at any time, alter, vary or add to these terms and conditions as it thinks fit. Amendments to these terms and conditions may only affect Awards to Participants that have already been made if they are to the advantage of Participants, subject to the JSE Listings Requirements.

15.2 Except as provided in Rule 15.3 the provisions relating to:

15.2.1 the category of persons who are eligible for participation in the BSP as envisaged in Rule 2.1.19; 14.1(a)

15.2.2 the number of Shares that may be utilised for the BSP as envisaged in Rule 4.1;

14.1(b)

- 15.2.3 the individual limitations on benefits or maximum entitlements envisaged in Rule 4.2; 14.1(c)
- 15.2.4 the voting, dividend and other rights attached to shares which are subject to Bonus Shares including those arising on a liquidation of the Company; 14.1(e)
- 15.2.5 the basis for determining Awards as stipulated in Rule 3.1; 14.1(f)
- 15.2.6 the procedure to be adopted in respect of the Vesting of Bonus Shares in the event of a Change of Control as stipulated in Rule 10; 14.1(g)
- 15.2.7 the procedure to be adopted in respect of the Vesting of Bonus Shares in the event of termination of employment as envisaged in Rule 9; and 14.1(h)
- 15.2.8 the terms of this Rule 15.2,
- may not be amended without the prior approval of the JSE and by ordinary resolution of 75% (seventy five percent) of shareholders of the Company in general meeting, excluding all of the votes attached to all Shares owned and controlled by persons who are existing Participants in the BSP and which have been acquired under the BSP.
- 15.3 Subject to JSE notification and approval, the GETC may make minor amendments for ease of the administration of the BSP, to comply with or take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable, taxation or regulatory treatment of any Company or any Employer Company or any present or future Participant.
- 15.4 The GETC may terminate the BSP at any time, but Awards before such termination will continue to be valid and as described in the provisions of the

BSP.

16 DOMICILIUM AND NOTICES

- 16.1 The parties choose *domicilium citandi et executandi* for all purposes arising from this BSP, including, without limitation, the giving of any notice, the payment of any sum, the delivery of shares, the serving of any process, as follows:
- 16.1.1 the Company, the Board: The address of the registered office of the Company from time to time;
- 16.1.2 any Employer Company: The address of the Registered Office of any Employer Company from time to time;
- 16.1.3 each Participant: The physical address and electronic address from time to time reflected as being his address or electronic address in the Employer Company's payroll system from time to time.
- 16.2 Any of the above persons shall be entitled from time to time, by written notice to the other, to vary its *domicilium* to any other physical address within the Republic of South Africa and/or (in the case of a Participant) his electronic address; provided in the case of a Participant such variation is also made to his details on the Employer Company's payroll system.
- 16.3 Any notice given, delivery or payment made by any of the above persons to any other which:
- 16.3.1 is delivered by hand during the normal business hours of the addressee at the addressee's *domicilium*, shall be rebuttably presumed to have been received by the addressee at the time of delivery;

- 16.3.2 is delivered by courier during the normal business hours of the addressee at the addressee's *domicilium*, shall be rebuttably presumed to have been received by the addressee on the third day after the date of the instruction to the courier to deliver to the addressee;
- 16.3.3 is transmitted by electronic mail to the addressee at the addressee's electronic mail address shall be rebuttably presumed to have been received at the date of receipt as determined under the provisions of the Electronic Communications and Transactions Act 25 of 2002.
- 16.4 Any legal notice given to any Participant pursuant to the BSP may be delivered to him or sent by post to him at his home address according to the records of the Employer Company or such other address as may appear to the Board to be appropriate. Notices or other documents sent by post will be deemed to have been given 7 days following the date of posting if sent by post.
- 16.5 Any legal notice given to the Employer Company pursuant to the BSP may be delivered to it or sent by post to its registered office marked for the attention of the company secretary of the Employer Company, or such other address as may be specified by the Employer Company and the documents will not be deemed to have been received before actual receipt by the company secretary of the Employer Company.

17 DISPUTES

- 17.1 Any dispute arising under the BSP will be decided by arbitration in the manner set out in Rule 17.
- 17.2 The arbitration will be held subject to the provisions of this BSP:
- 17.2.1 at Johannesburg

- 17.2.2 informally;
- 17.2.3 otherwise in accordance with the provisions of the Arbitration Act, No. 42 of 1965, as amended,
- it being the intention that if possible the arbitration will be held and concluded within 21 (twenty-one) Business Days, after it has been demanded.
- 17.3 The arbitrator will be, if the question in issue is:
- 17.3.1 primarily an accounting matter, an independent accountant with not less than 15 (fifteen) years' experience agreed upon between the parties. In the event that the parties cannot agree within 7 (seven) Business Days, a chartered accountant to be nominated by the Executive President for the time being of the South African Institute of Chartered Accountants;
- 17.3.2 primarily a legal matter, a practising senior counsel or attorney with no less than 15 (fifteen) years standing agreed upon between the parties. In the event that the parties cannot agree within 7 (seven) Business Days, a practising attorney nominated by the President for time being of the Law Society of the Northern Province;
- 17.3.3 any other matter, an independent person agreed upon between the parties.
- 17.4 An aggrieved party may appeal against the arbitration award within 10 (ten) Business Days after receipt of the arbitration award by lodging a notice of appeal with the other party.
- 17.5 Where an appeal is made, 2 (two) practising senior counsel of at least 15 (fifteen) years standing will be appointed as chairpersons of the appeal. If the parties are unable to agree on the chairpersons for the appeal the provisions of Rule 17.3 will *mutatis mutandis* apply with the changes required by the context.

The chairpersons will meet the parties within 7 (seven) Business Days after their appointment to determine the procedure for the appeal.

18 GOVERNING LAW

South African law governs the BSP. All Employer Companies and Participants submit to the jurisdiction of the South African courts as regards any matter arising under the BSP.

This BSP was duly adopted at the general meeting of URENERGEN LIMITED held at [insert] on [insert] and was available for inspection for at least 14 days prior to the general meeting at the Company's registered office. 14.7

Chairman of the General Meeting