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**METROPOLITAN HOLDINGS LIMITED**  
**FURTHER NOTICE TO SHAREHOLDERS**

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**THE PROPOSED SECOND PHASE OF THE BLACK ECONOMIC EMPOWERMENT  
TRANSACTION WITH  
KAGISO TRUST INVESTMENTS (PROPRIETARY) LIMITED**

**AND**

**THE METROPOLITAN EMPOWERMENT TRUST**

28 SEPTEMBER 2005

**METROPOLITAN**  
**HOLDINGS LIMITED** 

**METROPOLITAN HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 2000/031756/06)

JSE Share Code: MET

NSX Share Code: MTD

ISIN: ZAE000050456

("the Company")

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**WITHDRAWAL OF NOTICE OF GENERAL MEETING**

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Notice of a general meeting of shareholders of the Company to be held in the Auditorium, 7 Parc du Cap, Mispel Road, Bellville, Cape Town at 11:00 on Wednesday, 5 October 2005 sent to shareholders on 5 September 2005 is hereby withdrawn and such meeting cancelled.

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**NOTICE OF GENERAL MEETING**

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Notice is hereby given that a general meeting of shareholders of the Company will be held in the Auditorium, 7 Parc du Cap, Mispel Road, Bellville, Cape Town at 11:00 on Wednesday, 2 November 2005, for the purposes of considering and, if deemed fit, passing with or without modification, the following special and ordinary resolutions:

**Words and expressions used in the circular to shareholders dated 5 September 2005 and in the announcement to shareholders accompanying this notice shall bear the same meanings in this notice and in particular in the resolutions referred to below:**

**RESOLUTIONS**

**Special resolution number 1**

**"Resolved as a special resolution that:**

subject to the passing and registration of special resolution number 2, in terms of section 75(1)(a) of the Companies Act and article 28 of the articles of association of the Company, the authorised share capital of the Company of R1076 consisting of 1 075 842 650 ordinary and preference shares of 0,0001 cent each, be and is hereby increased to the nominal value of R1129 by the creation of:

- 12 700 000 variable rate cumulative convertible redeemable "A2" preference shares of 0,0001 cent each,
- 40 000 000 variable rate cumulative convertible redeemable "A3" preference shares of 0,0001 cent each,

the rights and conditions attaching to which are set out in articles 136 and 137 respectively of the articles of association of the Company to be adopted in terms of special resolution number 2 and that the memorandum of association be amended accordingly."

*In terms of the Listings Requirements, a 75% majority of the votes of all shareholders present or represented by proxy at the general meeting, but excluding the votes of the excluded parties, is required for the special resolution to be effective.*

## Reason for and effect of special resolution number 1

The reason for and effect of special resolution number 1 is to increase the Company's authorised share capital by the creation of 12 700 000 variable rate cumulative convertible redeemable "A2" preference shares and 40 000 000 variable rate cumulative convertible redeemable "A3" preference shares of 0,0001 cent each, in order to implement the empowerment transaction described in the circular to shareholders dated 5 September 2005 and the announcement detailing the changes to the terms of the transaction which accompanies this notice.

## Special resolution number 2

### "Resolved as a special resolution that:

subject to the passing and registration of special resolution number 1, the articles of association of the Company be and are hereby amended by:

1. the renaming of the "Met Prefs" as the "A1' Met Prefs" in article 135; and
2. the insertion of the following new articles 136 and 137 after the existing article 135:

## "136 TERMS AND CONDITIONS OF THE RIGHTS AND PRIVILEGES ATTACHING TO THE "A2" MET PREFS

Notwithstanding anything to the contrary in this article, the following terms and conditions shall attach to the variable rate convertible cumulative "A2" redeemable preference shares of 0,0001 cent (Zero comma Zero Zero Zero One Cent) each in the issued share capital of the Company.

### 136.1 Interpretation

For the purposes of this article, unless the context clearly indicates a contrary intention, the following words and expressions shall bear the meanings assigned to them below and cognate words and expressions shall bear corresponding meanings:

"A1' Met Prefs"	the 75 842 650 (Seventy Five Million Eight Hundred and Forty Two Thousand Six Hundred and Fifty) variable rate cumulative convertible redeemable preference shares in the share capital of the Company with a par value of 0,0001 cent (Zero comma Zero Zero Zero One Cent) and a premium of R6,119999 (Six comma One One Nine Nine Nine Nine Rand) issued by the Company to the SPV on 1 October 2004;
"A1' SPV Prefs	the variable rate cumulative redeemable "A1" preference shares in the share capital of the SPV with a par value of R1.00 (One Rand) issued to the Bank Consortium on 1 October 2004;
"A2' Met Prefs"	the variable rate convertible cumulative redeemable "A2" preference shares in the share capital of the Company with a par value of 0,0001 cent (Zero comma Zero Zero Zero One Cent);
"A2' Met Preference Dividend"	the preferential cash dividend payable to the Holders of "A2" Met Prefs in accordance with 136.2;
"A2' SPV Subscription Agreement"	the "A2" SPV preference share subscription agreement between the Company, the SPV, Newco and the Bank Consortium;
"Absa"	Absa Bank Limited, a public company incorporated under the laws of South Africa with Registration Number 1986/004794/06, acting through its Absa Corporate and Merchant Bank Division;

"the Act"	the Companies Act 61 of 1973, as amended from time to time;
"the Bank Consortium"	collectively Absa, RMB and Nedbank;
"Dividend Date"	31 March and 30 September each year;
"Holder"	the holder of the "A2" Met Prefs from time to time;
"Intercreditor and Agency Agreement"	the intercreditor and agency agreement concluded between Absa, RMB and Nedbank on 21 September 2004 and to which Makalani acceded as a party on 9 May 2005;
"Issue Date"	the date of issue of the "A2" Met Prefs;
"Issue Price"	<p>an amount per "A2" Met Pref equal to the volume weighted average trading price per Met Ord on the JSE over the five (5) trading days commencing on 12 October 2005 and ending on 18 October 2005, which amount shall be allocated as follows:</p> <ol style="list-style-type: none"> <li>1. 0,0001 cent (Zero comma Zero Zero Zero One Cent) to the par value of each "A2" Met Pref, and</li> <li>2. the balance to the premium of each "A2" Met Pref;</li> </ol> <p>less any repayments of share capital or premium to Holders;</p>
"JSE"	JSE Limited ;
"KTI"	Kagiso Trust Investments (Proprietary) Limited, a private company duly incorporated under the laws of South Africa with Registration Number 1993/007845/07;
"Makalani"	Makalani Holdings Limited, a public company duly incorporated under the laws of South Africa with Registration Number 2005/000726/06;
"Managing Agent"	the managing agent as appointed in accordance with the Intercreditor and Agency Agreement;
"Met Ords"	the ordinary shares of 0,0001 cent (Zero comma Zero Zero Zero One Cent) in the share capital of the Company
"Met Prefs"	collectively the "A1" Met Prefs, the "A2" Met Prefs and any additional preference shares that rank <i>pari passu</i> with them issued by the Company to the SPV on or after the Issue Date which additional issue shall not exceed R350 000 000 (Three Hundred and Fifty Million Rand);
"the Method Group"	collectively the Company and its Subsidiaries;
"Nedbank"	Nedbank Limited, a public company incorporated under the laws of South Africa with Registration Number 1951/000009/06, acting through its Capital Division;

"Newco"	Off the Shelf Investments 109 (Proprietary) Limited, a private company incorporated under the laws of South Africa with Registration Number 2004/013168/07;
"Prime Rate"	the prevailing interest rate (per cent, per annum, compounded monthly) from time to time published by First National Bank, a division of FirstRand Bank Limited, as being its prime overdraft rate (as certified by any manager of FirstRand Bank Limited whose appointment and designation need not be proved) expressed as a percentage;
"Redemption Amount"	the amount detailed in 136.3.1
"Redemption Date"	30 September 2009, unless the "A2" Met Prefs are converted or redeemed at an earlier date in terms of this article 136, or such later date as agreed between the SPV, the Banking Consortium and the Company;
"RMB"	FirstRand Bank Limited, a public company incorporated under the laws of South Africa with Registration Number 1929/001225/06, acting through its Rand Merchant Bank Division;
"SPV"	Off the Shelf Investments 108 (Proprietary) Limited, a private company incorporated under the laws of South Africa with Registration Number 2004/013271/07;
"Subsidiary"	any subsidiary as defined in the Act.

136.2 **Preference Dividends**

136.2.1 The "A2" Met Prefs shall confer on the Holder thereof the right to receive out of the profits of the Company, which right shall rank *pari passu* with the rights of all other holders of Met Prefs but prior to the provision for, or declaration or payment of, any dividends or capital of any nature whatsoever on any ordinary share in the capital of the Company, a 6 (six) monthly cumulative preferential cash dividend which shall accrue on a daily basis and which shall be determined in the manner set out in 136.2.2 and 136.2.4 below.

136.2.2 The "A2" Met Preference Dividends shall be due and payable 6 (six) monthly in arrear on the Dividend Dates to the Holder of "A2" Met Prefs registered on the Business Day immediately preceding each Dividend Date.

136.2.3 The Company's obligation to pay the "A2" Met Preference Dividend shall at all times be discharged by direct payment of such preference dividends to the Managing Agent.

136.2.4 The "A2" Met Pref shall confer on the Holder the right to receive out of the profits of the Company a dividend equal to whichever is the greater of the following:

136.2.4.1 A dividend calculated in accordance with the following formula:

$$\text{MPD} = \frac{\text{IP} \times \text{IR} \times \text{D}}{365}$$

**Where:**

MPD = the "A2" Met Preference Dividend per "A2" Met Pref;

- IP = the Issue Price;
  - IR = a dividend rate of 2.5%, nominal annual compounded semi-annually;
  - D = the number of days of the relevant period in respect of which the "A2" Met Preference Dividend is payable.
- or

136.2.4.2 the dividend per Met Ord received by holders of Met Ords in the corresponding period for which the "A2" Met Preference Dividend is calculated.

### 136.3 **Redemption**

136.3.1 The amount at which the Company shall redeem each "A2" Met Pref in terms of 136.3.3 shall be an amount equal to:

136.3.1.1 the Issue Price; plus

136.3.1.2 any arrear "A2" Met Preference Dividends which at the date of redemption are still unpaid in respect of each Met Pref, on the basis that a dividend will be deemed to be in arrear and unpaid if at any earlier dividend payment date the "A2" Met Preference Dividend was neither declared nor paid or if declared, was not paid; plus

136.3.1.3 an amount equal to any arrear "A2" Met Preference Dividends which the Company was obliged to declare and pay, but which were not declared and paid as a result of the Company having insufficient profits or reserves to declare and pay such dividends; plus

136.3.1.4 an amount in respect of each "A2" Met Pref calculated in accordance with 136.2.4 above for the period from the last Dividend Date to the date of redemption; plus

136.3.1.5 interest on arrear "A2" Met Preference Dividends calculated daily at the Prime Rate plus 2%, from the due date for payment of the "A2" Met Preference Dividend up to (but excluding) the Redemption Date, compounded monthly.

136.3.2 The Company shall make provision for the premium payable on the redemption of the "A2" Met Prefs from its share premium account as contemplated in s76(3)(c) of the Act.

136.3.3 Subject to the further provisions of the Act and the provisions of 136.4 below, the Company shall redeem the "A2" Met Prefs in full for the Redemption Amount, on the Redemption Date against either:

136.3.3.1 surrender to the Company of the certificates in respect of the "A2" Met Prefs; or

136.3.3.2 if such certificates are lost, receipt of a suitable written indemnity from the holder that the certificates have not been alienated or pledged.

136.3.4 Should the Redemption Amount not be paid on due date, then such amount shall bear interest at the Prime Rate plus 2% from the due date until date of payment

## 136.4 Redemption Events

### 136.4.1 *Redemption events requiring written notification from SPV*

Notwithstanding anything to the contrary herein contained, all the issued "A2" Met Prefs shall be redeemed in full, if:

- 136.4.1.1 the Company should have failed to declare any dividend on the "A2" Met Prefs on the Dividend Dates, or, having declared any dividend, should have failed to pay such dividend on the due date of payment therefor; or
- 136.4.1.2 the Company should have failed to declare any dividend on the Met Prefs on the date that a dividend is due on such Met Prefs or, having declared any dividend on such Met Prefs, should have failed to pay such dividend on the due date of payment therefor; and
- 136.4.1.3 the SPV has given the Company written notice that it requires redemption of such "A2" Met Prefs.

### 136.4.2 *Redemption events requiring immediate redemption*

Notwithstanding anything to the contrary herein contained, all the "A2" Met Prefs shall become immediately redeemable and shall be redeemed in full conditional upon the occurrence of any one or more of the following events after the Issue Date, namely:

- 136.4.2.1 if the Company should fail to redeem any of the "A2" Met Prefs on the Redemption Date or fail to pay to the Holder thereof the full proceeds of redemption on the due date of payment therefor; or
- 136.4.2.2 if the Company should fail to redeem any of the Met Prefs on their dates of redemption or fail to pay the holder thereof the full proceeds of redemption on the due date of payment therefor; or
- 136.4.2.3 if the Company commits an act which, if it were a natural person, would be an act of insolvency in terms of Section 8 of the Insolvency Act; or
- 136.4.2.4 if the Company should be placed into liquidation or under judicial management or wound-up, in any case whether provisionally or finally and whether voluntarily or compulsorily; or
- 136.4.2.5 if the Company should give any notice or take any steps to convene a meeting of its shareholders to adopt a resolution placing it in liquidation or under judicial management, in either case whether provisionally or finally; or
- 136.4.2.6 if the Company should make or attempt to make or recommend any general offer of compromise with any or all of its creditors; or
- 136.4.2.7 if any asset of the Company is attached for a judgement in excess of R5 000 000 (Five Million Rand) and the Company fails to set such attachment aside within 60 (sixty) days; or
- 136.4.2.8 any default under the terms of "A2" SPV Prefs resulting in the SPV being called upon to redeem the "A2" SPV Prefs; or
- 136.4.2.9 any acts committed by the Company which are *ultra vires* the Company's objects as contained in its memorandum and articles of association; or

- 136.4.2.10 any repudiation by the Company of its obligations under the terms of this article 136, or if the Company causes to be done any act or thing which, in the reasonable opinion of the Managing Agent, evidences an intention to repudiate the Agreement.

### 136.5 **Meetings**

The Holder shall be entitled to receive notice of, and to be present at, any general meeting of the Company and shall (in its capacity as holder) be entitled to vote, either in person, by representation or by proxy, at any such meeting as if the Holder is an ordinary shareholder of the Company holding as many ordinary shares of the Company as it holds "A2" Met Prefs, but subject to the following conditions imposed by the Listings Division of the JSE:

- 136.5.1 the exercise of the voting rights of the "A2" Met Prefs is entirely subject to the conditions of approval issued by the Listings Division of the JSE, in particular that the Holder be a black person or company;
- 136.5.2 no further "A2" Met Prefs may be issued without the written consent of the JSE; and
- 136.5.3 the Holder may not veto any resolutions of the Company that would otherwise have been passed by the holders of Met Ords together with the Holder of the "A2" Met Prefs.

### 136.6 **Rights of Conversion**

- 136.6.1 The Holder may, upon written notice to the secretary of the Company in the period 3 (three) years and one day after the Issue Date but prior to the Redemption Date and subject to the written consent of the Bank Consortium, request the Company to convert the "A2" Met Prefs into ordinary shares of the Company, ranking *pari passu* in all respects with the then existing ordinary shares of the Company, with effect from the date of receipt by the secretary of the Company of the said notice together with the written consent of the Bank Consortium.
- 136.6.2 Upon such conversion the Holder of the "A2" Met Prefs shall deliver to the Company certificates in respect of the number of "A2" Met Prefs converted and details of their Central Securities Depository Participant to hold the uncertificated Met Ords against payment of all costs incurred by the Company to issue such Met Ords, whereafter the Company shall apply for the listing of such converted "A2" Met Prefs on the JSE.

### 136.7 **General**

- 136.7.1 The Company shall not be liable to the Holders for interest on any unclaimed "A2" Met Preference Dividend or distribution of redemption monies. The Company shall retain all unclaimed monies until they are claimed, provided that any amount remaining unclaimed for a period of 12 (twelve) years shall be forfeited by the Holder to the Company.
- 136.7.2 The Managing Agent shall be entitled, but not obliged, to give notice on behalf of the SPV to any party in terms of this article."

## **"137 TERMS AND CONDITIONS OF THE RIGHTS AND PRIVILEGES ATTACHING TO THE "A3" MET PREFS**

Notwithstanding anything to the contrary in this article, the following terms and conditions shall attach to the variable rate convertible cumulative "A3" redeemable preference shares of 0,0001 cent (Zero comma Zero Zero Zero One Cent) each in the issued share capital of the Company.

## 137.1 Interpretation

For the purposes of this article, unless the context clearly indicates a contrary intention, the following words and expressions shall bear the meanings assigned to them below and cognate words and expressions shall bear corresponding meanings:

"A1' Met Prefs"	the 75 842 650 (Seventy Five Million Eight Hundred and Forty Two Thousand Six Hundred and Fifty) variable rate cumulative convertible redeemable preference shares in the share capital of the Company with a par value of 0,0001 cent (Zero comma Zero Zero Zero One Cent) and a premium of R6,119999 (Six comma One One Nine Nine Nine Nine Rand) issued by the Company to the SPV on 1 October 2004;
"A1' SPV Prefs"	the variable rate cumulative redeemable "A1" preference shares in the share capital of the SPV with a par value of R1.00 (One Rand) issued to the Bank Consortium on 1 October 2004;
"A2' Met Prefs"	the variable rate convertible cumulative redeemable "A2" preference shares in the share capital of the Company with a par value of 0,0001 cent (Zero comma Zero Zero Zero One Cent);
"A3' Met Preference Dividend"	the preferential cash dividend payable to the Holders of "A3" Met Prefs in accordance with 137.2 below;
"A3' Met Prefs"	the variable rate convertible cumulative redeemable "A3" preference shares in the share capital of the Company with a par value of 0,0001 cent (Zero comma Zero Zero Zero One Cent);
"A3' SPV Subscription Agreement"	the "A3" SPV preference share subscription agreement between the Company, the SPV, Newco and the Finance Consortium;
"Absa"	Absa Bank Limited, a public company incorporated under the laws of South Africa with Registration Number 1986/004794/06, acting through its Absa Corporate and Merchant Bank Division;
"the Act"	the Companies Act 61 of 1973, as amended from time to time;
"Average"	the simple arithmetic average;
"the Bank Consortium"	collectively Absa, RMB and Nedbank;
"Coupon Rate"	the coupon rate of the dividend payable on the "A3" Met Prefs in accordance with 137.3 below;
"Dividend Date"	31 March and 30 September each year;
"the Finance Consortium"	collectively RMB and SCM;
"Holder"	the holder of the "A3" Met Prefs from time to time;
"Intercreditor and Agency Agreement"	the intercreditor and agency agreement concluded between Absa, RMB and Nedbank on 21 September 2004 and to which Makalani acceded as a party on 9 May 2005;

"Issue Date"	the date of issue of the "A3" Met Prefs;
"Issue Price"	<p>an amount per "A3" Met Pref equal to the volume weighted average trading price per Met Ord on the JSE over the five (5) trading days commencing on 12 October 2005 and ending on 18 October 2005, which amount shall be allocated as follows:</p> <ol style="list-style-type: none"> <li>1. 0,0001 cent (Zero comma Zero Zero Zero One) cent to the par value of each "A3" Met Pref, and</li> <li>2. the balance to the premium of each "A3" Met Pref;</li> </ol> <p>less any repayments of share capital or premium to Holders;</p>
"JSE"	JSE Limited;
"KTI"	Kagiso Trust Investments (Proprietary) Limited, a private company duly incorporated under the laws of South Africa with Registration Number 1993/007845/07;
"Makalani"	Makalani Holdings Limited, a public company duly incorporated under the laws of South Africa with Registration Number 2005/000726/06;
"Managing Agent"	the managing agent as appointed in accordance with the Intercreditor and Agency Agreement;
"Met Ords"	the ordinary shares of 0,0001 cent (Zero comma Zero Zero Zero One Cent) in the share capital of the Company;
"Met Prefs"	collectively the "A1" Met Prefs, "A2" Met Prefs and the "A3" Met Prefs, and any additional preference shares that rank pari passu with them issued by the Company to the SPV on or after the Issue Date;
"the Method Group"	collectively the Company and its Subsidiaries;
"Nedbank"	Nedbank Limited, a public company incorporated under the laws of South Africa with Registration Number 1951/000009/06, acting through its Capital Division;
"Newco"	Off the Shelf Investments 109 (Proprietary) Limited, a private company incorporated under the laws of South Africa with Registration Number 2004/013168/07;
"Prime Rate"	the prevailing interest rate (per cent, per annum, compounded monthly) from time to time published by First National Bank, a division of FirstRand Bank Limited, as being its prime overdraft rate (as certified by any manager of FirstRand Bank Limited whose appointment and designation need not be proved) expressed as a percentage;
"Redemption Amount"	the amount detailed in 137.6.1

"Redemption Date"	a date 5 (five) years and one day after the Issue Date, unless the "A3" Met Prefs are converted or redeemed at an earlier date in terms of this article 137, or such later date as agreed between the SPV, the Finance Consortium and the Company;
"RMB"	FirstRand Bank Limited, a public company incorporated under the laws of South Africa with Registration Number 1929/001225/06, acting through its Rand Merchant Bank Division;
"SCM"	Sanlam Capital Markets Limited, a public company duly incorporated under the laws of South Africa with Registration Number 1996/004744/06
"SPV"	Off the Shelf Investments 108 (Proprietary) Limited, a private company incorporated under the laws of South Africa with Registration Number 2004/013271/07;
"Subsidiary"	any subsidiary as defined in the Act.

## 137.2 Preference Dividends

- 137.2.1 The "A3" Met Prefs shall confer on the Holder thereof the right to receive out of the profits of the Company, which right shall rank *pari passu* with the rights of all other holders of Met Prefs but prior to the provision for, or declaration or payment of, any dividends or capital of any nature whatsoever on any ordinary share in the capital of the Company, a 6 (six) monthly cumulative preferential cash dividend which shall accrue on a daily basis and which shall be determined in the manner set out in 137.2.2 and 137.2.4 below.
- 137.2.2 The "A3" Met Preference Dividends shall be due and payable 6 (six) monthly in arrear on the Dividend Dates to Holders of "A3" Met Prefs registered on the Business Day immediately preceding each Dividend Date.
- 137.2.3 The Company's obligation to pay the "A3" Met Preference Dividend shall at all times be discharged by direct payment of such preference dividends to the Managing Agent.
- 137.2.4 The "A3" Met Pref shall confer on the Holder the right to receive out of the profits of the Company a dividend calculated in accordance with the following formula:

$$\text{MPD} = \frac{(\text{A} + \text{B} + \text{C}) \times \text{D} \times \text{E}}{365}$$

**Where:**

- MPD = the "A3" Met Preference Dividend per "A3" Met Pref;
- A = the Coupon Rate as determined in 137.3 below;
- B = the Initial Rate of 0,5%;
- C = the Out Performance Rate as determined in 137.4 below;
- D = the Issue Price;
- E = the number of days of the relevant period in respect of which the "A3" Met Preference Dividend is payable.

137.3 **Coupon Rate**

The Coupon Rate shall be calculated in arrear in accordance with the following formula:

$$A = G \times PR$$

**Where:**

A = the Coupon Rate;

G = 72% or such other percentage applicable as contemplated in article 137.5 below;

PR = the Prime Rate.

137.4 **The Out Performance Rate**

137.4.1 The Company shall determine the Average of the growth of the following key financial ratios ("the Basket") of the Methold Group at the end of each interim and annual financial period of the Methold Group, in comparison to the corresponding previous interim or annual financial period, namely, the growth in:

137.4.1.1 dividend per ordinary share;

137.4.1.2 value of new business for the period concerned;

137.4.1.3 fully diluted core headline earnings per share.

137.4.2 An additional rate of dividend ("the Out Performance Rate") shall accrue to the Holders in accordance with 137.4.3 below if the Average growth is in excess of 9%. If there is negative growth in one of the rates constituting the Basket, it shall be deemed to be zero for the purpose of calculating the Average growth in the Basket.

137.4.3 The first Out Performance Rate shall be calculated for the period 1 July 2005 to 31 December 2005 and will be included in the March 2006 "A3" Met Preference Dividend calculation. The Out Performance Rate shall commence at zero and then increase by an additional percentage as determined in 137.4.4.

137.4.4 The Out Performance Rate shall increase by the addition of the percentage indicated in the following table opposite the Average growth in the Basket.

Average Growth in the Basket	Increase in dividend rate of "A3" Met Prefs
9% and below	0%
greater than 9% and less than or equal to 10%	0,5
greater than 10% and less than or equal to 11%	0,505%
greater than 11% and less than or equal to 12%	0,515%
greater than 12% and less than or equal to 13%	0,535%
greater than 13% and less than or equal to 14%	0,570%
greater than 14% and less than or equal to 15%	0,625%
greater than 15% and less than or equal to 16%	0,705%
greater than 16% and less than or equal to 17%	0,815%
greater than 17% and less than or equal to 18%	0,960%
greater than 18% and less than or equal to 19%	1,145%
greater than 19% and less than or equal to 20%	1,325%
greater than 20%	1.655%

137.4.5 Once the Out Performance Rate has increased it shall remain at that level for the purposes of the formula in 137.2.4 until conversion or redemption of the Met Prefs unless it is increased by further growth in the Basket.

#### 137.5 **Additional Dividends**

In addition to the Met Preference Dividend, the Holders of the Met Prefs shall be entitled to payment of additional dividends in such amounts as may be required by the SPV from time to time to pay an additional rate of dividend to the holders of the "A3" SPV Prefs in accordance with clause 7 of Schedule 1 of the "A3" SPV Subscription Agreement, which amounts shall be payable within 7 (seven) days after receipt of the SPV's written demand.

#### 137.6 **Redemption**

137.6.1 The amount at which the Company shall redeem each "A3" Met Pref in terms of 137.6.3 shall be an amount equal to:

137.6.1.1 the Issue Price; plus

137.6.1.2 any arrear "A3" Met Preference Dividends which at the date of redemption are still unpaid in respect of each Met Pref, on the basis that a dividend will be deemed to be in arrear and unpaid if at any earlier dividend payment date the "A3" Met Preference Dividend was neither declared nor paid or if declared, was not paid; plus

137.6.1.3 an amount in respect of each "A3" Met Pref calculated in accordance with the formula in 137.2.4 above for the period from the last Dividend Date to the date of redemption; plus

137.6.1.4 interest on arrear "A3" Met Preference Dividends calculated daily at the Prime Rate plus 2%, from the due date for payment of the "A3" Met Preference Dividend up to (but excluding) the Redemption Date, compounded monthly.

137.6.2 The Company shall make provision for the premium payable on redemption of the "A3" Met Prefs from its share premium account as contemplated in s76(3)(c) of the Act.

137.6.3 Subject to the further provisions of the Act and the provisions of 137.7 below, the Company shall redeem the "A3" Met Prefs in full for the Redemption Amount, on the Redemption Date against either:

137.6.3.1 surrender to the Company of the certificates in respect of the "A3" Met Prefs; or

137.6.3.2 if such certificates are lost, receipt of a suitable written indemnity from the holder that the certificates have not been alienated or pledged.

137.6.4 Should the Redemption Amount not be paid on due date, then such amount shall bear interest at the Prime Rate plus 2% from the due date until date of payment.

#### 137.7 **Redemption Events**

137.7.1 *Redemption events requiring written notification from SPV*

Notwithstanding anything to the contrary herein contained, all the issued "A3" Met Prefs shall be redeemed in full, subject to the condition that if:

- 137.7.1.1 the Company should have failed to declare any dividend on the "A3" Met Prefs on the Dividend Dates, or, having declared any dividend, should have failed to pay such dividend on the due date of payment therefor; or
- 137.7.1.2 the Company should have failed to declare any dividend on the Met Prefs on the date that a dividend is due on such Met Prefs or, having declared any dividend on such Met Prefs, should have failed to pay such dividend on the due date of payment therefor; and
- 137.7.1.3 the SPV has given the Company written notice that it requires redemption of such "A3" Met Prefs.

137.7.2 *Redemption events requiring immediate redemption*

Notwithstanding anything to the contrary herein contained, all the "A3" Met Prefs shall become immediately redeemable and shall be redeemed in full conditional upon the occurrence of any one or more of the following events after the Issue Date, namely:

- 137.7.2.1 if the Company should fail to redeem any of the "A3" Met Prefs on the Redemption Date or fail to pay to the Holder thereof the full proceeds of redemption on the due date of payment therefor; or
- 137.7.2.2 if the Company should fail to redeem any of the Met Prefs on their dates of redemption or fail to pay the holder thereof the full proceeds of redemption on the due date of payment therefor; or
- 137.7.2.3 if the Company commits an act which, if it were a natural person, would be an act of insolvency in terms of Section 8 of the Insolvency Act; or
- 137.7.2.4 if the Company should be placed into liquidation or under judicial management or wound-up, in any case whether provisionally or finally and whether voluntarily or compulsorily; or
- 137.7.2.5 if the Company should give any notice or take any steps to convene a meeting of its shareholders to adopt a resolution placing it in liquidation or under judicial management, in either case whether provisionally or finally; or
- 137.7.2.6 if the Company should make or attempt to make or recommend any general offer of compromise with any or all of its creditors; or
- 137.7.2.7 if any asset of the Company is attached for a judgement in excess of R5 000 000 (Five Million Rand) and the Company fails to set such attachment aside within 60 (sixty) days; or
- 137.7.2.8 any default under the terms of "A3" SPV Prefs resulting in the SPV being called upon to redeem the "A3" SPV Prefs; or
- 137.7.2.9 any acts committed by the Company which are ultra vires the Company's objects as contained in its memorandum and articles of association; or
- 137.7.2.10 any repudiation by the Company of its obligations under the terms of this article 137, or if the Company causes to be done any act or thing which, in the reasonable opinion of the Managing Agent, evidences an intention to repudiate the Agreement.

## 137.8 Meetings

The Holder shall be entitled to receive notice of, and to be present at, any general meeting of the Company and shall (in its capacity as holder) be entitled to vote, either in person, by representation or by proxy, at any such meeting as if the Holder is an ordinary shareholder of the Company holding as many ordinary shares of the Company as it holds "A3" Met Prefs, but subject to the following conditions imposed by the Listings Division of the JSE:

- 137.8.1 the exercise of the voting rights of the "A3" Met Prefs is entirely subject to the conditions of approval issued by the Listings Division of the JSE, in particular that the Holder be a black person or company;
- 137.8.2 no further issue of "A3" Met Prefs may be made without the written consent of the JSE; and
- 137.8.3 the Holder may not veto any resolutions of the Company that would otherwise have been passed by the holders of Met Ords together with the Holder of the "A3" Met Prefs.

## 137.9 Rights of Conversion

- 137.9.1 The Holder may, upon written notice to the secretary of the Company in the period 3 (three) years and one day after the Issue Date but prior to the Redemption Date and subject to the written consent of the Finance Consortium, request the Company to convert the "A3" Met Prefs into ordinary shares of the Company, ranking *pari passu* in all respects with the then existing ordinary shares of the Company, with effect from the date of receipt by the secretary of the Company of the said notice together with the written consent of the Finance Consortium.
- 137.9.2 Upon such conversion the Holder of the "A3" Met Prefs shall deliver to the Company certificates in respect of the number of Met Prefs converted and details of their Central Securities Depository Participant to hold the uncertificated Met Ords against payment of all costs incurred by the Company to issue such Met Ords, whereafter the Company shall apply for the listing of such converted Met Prefs on the JSE.

## 137.10 General

- 137.10.1 The Company shall not be liable to the Holders for interest on any unclaimed "A3" Met Preference Dividend or distribution of redemption monies. The Company shall retain all unclaimed monies until they are claimed, provided that any amount remaining unclaimed for a period of 12 (twelve) years shall be forfeited by the Holder to the Company.
- 137.10.2 The Managing Agent shall be entitled, but not obliged, to give notice on behalf of the SPV to any party in terms of this article."

*In terms of the Listings Requirements, a 75% majority of the votes of all shareholders present or represented by proxy at the general meeting, but excluding the votes of the excluded parties, is required for the special resolution to be effective.*

### Ordinary resolution number 1

**"Resolved as an ordinary resolution that:**

subject to the passing and registration of special resolution numbers 1 and 2:

- the 12 700 000 variable rate convertible cumulative redeemable "A2" preference shares with a par value of 0,0001 cent; and

- such number of variable rate convertible cumulative redeemable "A3" preference shares with a par value of 0,0001 cent equal to the result of dividing the amount of R350 000 000 (Three Hundred and Fifty Million Rand) by the Issue Price of such shares as defined in article 137 of the articles of association of the Company to be adopted in terms of special resolution number 2, rounded up to the nearest whole number.

be and are hereby placed under the control of the directors with the specific authority in terms of section 221 of the Companies Act to allot and issue such shares to the SPV in accordance with the circular to shareholders dated 5 September 2005, this notice and the announcement of shareholders accompanying this notice."

*In terms of the Listings Requirements of the JSE a 75% majority of the votes of all shareholders present or represented by proxy at the general meeting but excluding the votes of the excluded parties, is required for this ordinary resolution to be passed.*

#### **Ordinary resolution number 2**

**"Resolved as an ordinary resolution that:**

any independent non-executive director or officer of the Company be and is hereby authorised to take all such steps and sign all such documents as are necessary to give effect to the resolutions passed at this general meeting."

By order of the board

**Mrs B Gobodo-Mbomvu**

*Company secretary*

Bellville, Cape Town

28 September 2005