

AMENDED AND RESTATED TRUST DEED OF SIOC COMMUNITY DEVELOPMENT TRUST

between

SISHEN IRON ORE COMPANY (PROPRIETARY) LIMITED

A private company existing and duly incorporated under the laws of the Republic of South Africa,
with registration number 2000/011085/07
("the Donor")

and

WILLEM FREDERIK VAN HEERDEN

Identity Number 491024 5048 083
(as a Trustee)

and

ANDREW CONWAY GAOREKWE MOLUSI

Identity Number 620501 5756 082
(as a Trustee)

and

OMPHEMETSE CYNTHIA MOGODI

Identity Number 531120 0869 085
(as a Trustee)

and

DIRK JOHANNES VAN STADEN

Identity Number 490707 5038 085
(as a Trustee)

and

YVONNE MFOLO

Identity Number 670627 0843 085
(as a Trustee)

and

MOTLHATLHEDI NELSON MOSIAPOA

Identity Number 660712 5724 084

(as a Trustee)

and

AMANDA CORALE DIPPENAAR

Identity Number 750401 0080 087

(as a Trustee)

and

ALPHEUS MALESELA POLE

Identity Number 740710 5482 087

(as a Trustee)

and

VUSANI FRANCIS MALIE

Identity Number 740309 5794 086

(as a Trustee)

and

TRACEY HENRY

Identity Number 691227 0085 087

(as a Trustee)

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1. Introduction

- 1.1 Subject to the provisions of clause 1.4 below, the Donor wishes to implement a broad-based socio-economic empowerment ownership strategy in South Africa having regard, among other social obligations, to the spirit and content of the MPRDA and the Charter.
- 1.2 As part of this strategy, 3% (three per cent) of the total issued ordinary share capital of the Donor as at the Project Pangolin Completion Date will be held, through a wholly owned special purpose company, SIOC Community Development SPV, by the SIOC Community Development Trust, which is to be founded by the Donor by means of this Deed for the benefit of the Beneficiaries.
- 1.3 The Donor and the Initial Trustees have therefore agreed to establish a special trust, namely the SIOC Community Development Trust, to allow the Beneficiaries to benefit, through the Trust, in the broad-based socio-economic empowerment ownership initiatives of the Donor, on the terms and conditions contained in this Deed.
- 1.4 The Trust will be established, funded, developed and maintained for the realisation of the Trust Object.
- 1.5 It is recorded by the parties hereto that this Trust was created for legitimate commercial reasons, viz. to allow the Beneficiaries to enjoy certain socio-economic benefits by indirectly sharing in the wealth of the Company through the Trust, which is a shareholder of the Company.
- 1.6 This Deed is an amended and restated trust deed of the Trust as at 4 February 2019.

2. Definitions and interpretation

- 2.1 In this Deed, the following words shall bear the following meanings, unless otherwise stated or inconsistent with the context in which they appear, and other words derived from the same origins as such words (that is, cognate words) shall bear corresponding meanings:
 - 2.1.1 "Affected Areas" means:
 - (i) in the Northern Cape, the area of the Tsantsabane Municipality and those areas and municipalities in the John Taolo Gaetsewe District Municipality, being the Joe Morolong Municipality, the Gamagara Municipality and the Ga-Segonyana Municipality, and in the Limpopo Province, the area of the Thabazimbi Municipality in the Waterberg District, as more fully depicted on the maps attached hereto as Annex "A";
 - (ii) any other area where individuals residing, working or operating in that area are through consanguinity or affinity related to one or more members of a community referred to in the definition of "Beneficiaries" or to one or more members of a community living in an area previously designated as an Affected Area by the Trustees; and

- (iii) any other area which may at any time hereafter be designated as an Affected Area by the Trustees, but always subject to the provisions of this Deed,

provided, however, that the Trustees shall from time to time be entitled in their sole discretion to delist any Affected Area, provided, however, that an Affected Area referred to in subparagraph (i) above may only be delisted when the Company ceases its mining operations in that Affected Area;

2.1.2 "Annexes" means the annexes attached to this Deed;

2.1.3 "Anti-Corruption Laws" means:

- (i) the Prevention and Combating of Corrupt Activities Act, Act No. 12 of 2004;
- (ii) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions 1997;
- (iii) the United Nations Convention against Corruption 2003;
- (iv) the Foreign Corrupt Practices Act of 1977 of the United States of America ("FCPA");
- (v) the Bribery Act 2010 of the United Kingdom ("UK Bribery Act"); and
- (vi) any other Relevant Law which:
 - (a) prohibits the offering of any gift, payment or other benefit to any person or any officer, employee, agent or advisor of such person; or
 - (b) is broadly equivalent to the FCPA or the UK Bribery Act, is intended to enact the provisions of the OECD Convention, or has as its objective the prevention of corruption,

and is applicable in the jurisdiction in which the Parties are registered or conduct business or in which the obligations are to be performed;

2.1.4 "Auditors" means the auditors of the Trust from time to time who shall be a firm of chartered accountants registered with the South African Institute of Chartered Accountants and will initially be Deloitte & Touche;

2.1.5 "Authorised Expenses" means the expenses, costs, disbursements and liabilities referred to in clauses 7.2 to 7.5 and includes the costs of the day-to-day running of Opsco;

2.1.6 "Beneficiaries" means:

- (i) those communities (comprising at least 85% Black People) in an Affected Area who, in the sole discretion of the Trustees, should benefit from the Trust Fund; and

- (ii) in respect of the granting of disability services within the framework of Annex "C", those communities (comprising at least 85% Black People) in the Limpopo and Northern Provinces who, in the sole discretion of the Trustees, should benefit from the Trust Fund,

but always subject to and in accordance with the provisions of this Deed and the Community Development Strategy of the Trust;

2.1.7 "Black People" means Africans, Coloureds and Indians:

- (i) who are citizens of the Republic of South Africa by birth or descent; or
- (ii) who became citizens of the Republic of South Africa by naturalisation:
 - (a) before 27 April 1994; or
 - (b) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date,

and "Black Person" shall have a corresponding meaning;

2.1.8 "Business Day" means any day other than a Saturday, Sunday or gazetted national public holiday in South Africa;

2.1.9 "Charter" means the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 developed under section 100 (2) (a) of the MPRDA, and any amended or replacement charter from time to time;

2.1.10 "Commissioner" means the Commissioner for the South African Revenue Service appointed in terms of section 6 of the South African Revenue Service Act 34 of 1997 or the Acting Commissioner designated in terms of section 7 of that Act;

2.1.11 "Community Development Strategy" means the Community Development Strategy of the Trust from time to time based on the socio-economic evaluation of the Beneficiaries, as approved by the Trustees by majority decision on an annual basis for carrying out, supporting and/or facilitating any one or more of the Trust Benefit Activities;

2.1.12 "Constitution" means the Constitution of the Republic of South Africa, No. 108 of 1996, as amended;

2.1.13 "Deed" means this Trust Deed and any Annexes to it, as amended from time to time;

2.1.14 "Deed of Adherence" means a deed of adherence substantially in the form of the deed of adherence attached to this Deed as Annexe "E", which shall be executed by a Special Purpose Trust prior to any amount being paid in respect of a Project;

2.1.15 "Donor" or "the Company" means Sishen Iron Ore Company (Proprietary) Limited, registration number 2000/011085/07, a private company registered in South Africa in terms of the Act;

- 2.1.16 "Encumbrance" means any mortgage, notarial deed, charge, pledge, lien, option, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including retention arrangements and any agreement to create any of the foregoing, and "Encumber" means to bring about an Encumbrance within the meaning of this definition;
- 2.1.17 "Final Date" means the date upon which the Donor is finally wound up or liquidated, dissolved or placed under administration or in any analogous position;
- 2.1.18 "Implementation Agreement" means the implementation agreement entered into on or about 11 September 2016 between ASAC, AOL, Anglo Finance, Eyesizwe Mining, Eyesizwe Coal Employees Share Trust, Eyesizwe Coal, Black Mountain SPV, SIOC Community Development SPV, Kumba Iron Ore, Kumba Base Metals, Kumba Coal, Ticor KZN, Newco EEPs Trust, the Trust, IDC, Eyabantu Capital, PwC, Tiso, Tiso SPV, SAWIMA, BEE Women's Group SPV, BEE Holdco, BHP Billiton and SIOC stipulating inter alia the conditions set out in relation to the Project Pangolin transaction agreements;
- 2.1.19 "Income Tax Act" means the Income Tax Act, Act No. 58 of 1962, as amended;
- 2.1.20 "Initial Trustees" means the Trustees who signed the original Deed, namely Willem F. van Heerden and Michelle Kimmie;
- 2.1.21 "Kumba Iron Ore" means Kumba Iron Ore Limited, registration number 2005/015852/06, a public company incorporated in accordance with the laws of the Republic of South Africa;
- 2.1.22 "Letters of Authority" means the letters of authority issued from time to time by the Master in terms of the Trust Property Control Act reflecting the relevant persons as trustees of the Trust;
- 2.1.23 "MPRDA" means the Mineral and Petroleum Resources Development Act, Act No. 28 of 2002, as amended;
- 2.1.24 "Master" means the Master of the High Court of South Africa;
- 2.1.25 "Minister" means the Minister of Finance of South Africa from time to time;
- 2.1.26 "Non-Profit Organisation" means any non-profit organisation registered as such in terms of the Non-Profit Organisations Act (other than the Trust);
- 2.1.27 "Non-Profit Organisations Act" means the Non-Profit Organisations Act, Act No. 71 of 1997, as amended;

- 2.1.28 "Opsco" means a division of the Trust responsible for the activities stated in clause 8.1 below;
- 2.1.29 "Permitted Subscription" means the subscription by the Trust for One Share (representing 100% (one hundred per cent) of all the issued Shares in the SIOC Community Development SPV), at par value;
- 2.1.30 "Permitted Investments" means investments deemed to be prudent by the Trustees, in their discretion, to be made from time to time in accordance with clause 7.7, provided that such investments shall be made in support of the Trust Object;
- 2.1.31 "Person" or "Persons" includes a natural person, company, close corporation or any other juristic person or other corporate entity, charity, trust, partnership, joint venture, syndicate or any other association of persons;
- 2.1.32 "Project" means a project approved by the Trustees which supports or facilitates the Trust Object;
- 2.1.33 "Project Guidelines" means the Guidelines and Project Evaluation Criteria attached hereto as Annex "B1" and "B2", respectively, against which each proposed project shall be evaluated prior to the Trustees approving same and against which each Project shall be evaluated after completion thereof;
- 2.1.34 "Project Pangolin" means the transaction related to the establishment of Kumba Iron Ore;
- 2.1.35 "Project Pangolin Completion Date" means the completion date of Project Pangolin, being D+26 on the Implementation Timetable and being the date on which Project Pangolin Completion occurred;
- 2.1.36 "Public Benefit Organisation" means any public benefit organisation approved by the Commissioner in terms of section 30 of the Income Tax Act (other than this Trust);
- 2.1.37 "Sell" means to sell, transfer, alienate, donate, distribute, exchange, grant an option over, otherwise dispose of, or realise value in respect of, and "Sale" shall have a corresponding meaning;
- 2.1.38 "Shares" includes all rights in and to the ordinary shares of R1.00 (one rand) each in the issued share capital of the SIOC Community Development SPV, as may be consolidated or subdivided or replaced from time to time as a result of any corporate action on the part of the SIOC Community Development SPV;
- 2.1.39 "SIOC Community Development SPV" means SIOC Community Development SPV (Proprietary) Limited, registration number 2005/040145/07, a private company registered in South Africa in terms of the Act, which has been incorporated as a special-purpose vehicle to acquire and hold 36 000 000 (thirty-six million) shares in the ordinary share capital of SIOC (representing 3% of all issued ordinary shares in SIOC as at the Project Pangolin Completion Date);

- 2.1.40 "SIOC Income" means the income to be received by the Trust by virtue of its indirect holding through its Shareholding in the SIOC Community Development SPV, of 3% (three per cent) of the issued share capital of the Company as at the Project Pangolin Completion Date;
- 2.1.41 "South Africa" means the Republic of South Africa;
- 2.1.42 "Trust Assets" means all of the assets and funds held, acquired and administered by the Trustees from time to time, including the initial donation in terms of clause 3.3 and the Shares comprising the Permitted Subscription, any additions or accruals thereto, any additional donations and/or bequests by any person that wishes to further the Trust Object and any assets which may arise out of the administration of the Trust, any proceeds on Permitted Investments, and in general any other assets of every description acquired by the Trustees in terms of this Deed from any source or in any way, which shall include but not be limited to all Trust Income and Trust Capital;
- 2.1.43 "Trust Bank Account" means any bank account opened by the Trustees in the name of the Trust with a bank registered in terms of the Banks Act, Act No. 4 of 1990, as amended;
- 2.1.44 "Trust Benefit Activities" means activities for the benefit of Beneficiaries, examples of which are set out in Annex "C";
- 2.1.45 "Trust Capital" means the capital of the Trust as defined in clause 6.5;
- 2.1.46 "Trust Income" means the income of the Trust as defined in clause 6.4.1 below;
- 2.1.47 "Trustees" means the Initial Trustees and/or such other persons appointed as Trustees in terms of clause 9, who hold office as Trustees from time to time;
- 2.1.48 "Trust Fund" means collectively:
- (i) the Trust Assets referred to in clause 6.1 below; and
 - (ii) the Trust Liabilities;
- 2.1.49 "Trust Liabilities" means all and any liabilities of the Trust of whatsoever nature and howsoever arising, whether actual or contingent, unquantified or disputed (including all and any liabilities for consequential loss or arising as a result of breach of contract or any delict and including the Authorised Expenses);
- 2.1.50 "Trust Net Income" means the net income of the Trust as defined in clause 6.4.1.2 below;
- 2.1.51 "Trust Object" means the sole object of the Trust as set out in clause 4;
- 2.1.52 "Trust Property Control Act" means the Trust Property Control Act, Act No. 57 of 1998, as amended;

- 2.1.53 "VAT" means value-added tax levied in terms of the Value-Added Tax Act, Act No. 89 of 1991, as amended; and
- 2.1.54 "Year" means the period commencing on 1 January and ending on 31 December of any year.
- 2.2 In this Deed:
- 2.2.1 references to a statutory provision include any subordinate legislation made from time to time under that provision and include that provision as modified or re-enacted from time to time;
- 2.2.2 words importing any particular gender include the other genders (i.e. the masculine, feminine and neuter genders, as the case may be); the singular includes the plural and vice versa; and natural persons include artificial persons and vice versa;
- 2.2.3 capitalised terms used in this Deed and not defined in this Deed shall (except where the context otherwise requires) bear the meanings ascribed thereto in clause 1 of the Implementation Agreement and shall be deemed to be incorporated by reference and form part of this Deed;
- 2.2.4 references to "in any capacity" mean in any capacity whatsoever, including as proprietor, partner, director, shareholder, member, executive, employee, consultant, contractor, investor, financier, broker, agent, representative, assistant, trustee or beneficiary of a trust or otherwise;
- 2.2.5 if a definition imposes substantive rights and obligations on a party, such rights and obligations shall be given effect to and shall be enforceable notwithstanding that they are contained in a definition;
- 2.2.6 any definition, wherever it appears in this Deed, shall bear the same meaning and apply throughout this Deed unless otherwise stated or inconsistent with the context in which it appears;
- 2.2.7 if there is any conflict between any definitions in this Deed then, for purposes of interpreting any clause of the Deed or any paragraph of any annex, the definition appearing in that clause or paragraph shall prevail over any other conflicting definition appearing elsewhere in the Deed;
- 2.2.8 where any number of days is prescribed, those days shall 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 event the last day shall be the next succeeding Business Day;
- 2.2.9 where the day upon or by which any act is required to be performed is not a Business Day, the parties shall be deemed to have intended such act to be performed upon or by the next succeeding Business Day;

- 2.2.10 any provision in this Deed which is or may become illegal, invalid or unenforceable in any jurisdiction affected by the Deed shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as having not been written (i.e. *pro non scripto haberi*) and severed from the balance of this Deed, without invalidating the remaining provisions of this Deed or affecting the validity or enforceability of such provision in any other jurisdiction;
- 2.2.11 the use of any expression covering a process available under South African law (including, for example, a winding up or sequestration) shall, if any of the parties is subject to the law of any other jurisdiction, be interpreted in relation to that party as including any equivalent or analogous proceeding under the law of such other jurisdiction;
- 2.2.12 references to any amount shall mean that amount exclusive of VAT unless the amount expressly includes VAT;
- 2.2.13 the rule of construction that if general words or terms are used in association with specific words or terms which are a species of a particular genus or class, the meaning of the general words or terms shall be restricted to that same class (i.e. the *eiusdem generis* rule) shall not apply, and whenever the word "including" is used followed by specific examples, such examples shall not be interpreted so as to limit the meaning of any word or term to the same genus or class as the examples given; and
- 2.2.14 the expiration or termination of this Deed shall not affect such of the provisions of this Deed which are expressly provided to operate after any such expiration or termination, or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the relevant provisions themselves do not provide for this.

3. Formation of the Trust

3.1 Establishment of the Trust

A trust (referred to in this Deed as "the Trust") is hereby established for the purpose of implementing, administering and furthering the Trust Object on the basis set out in this Deed.

3.2 Name of the Trust

The name of the Trust is "The SIOC Community Development Trust".

3.3 Donation by the Donor

The Donor donates to the Trustees the amount of R100.00 (one hundred rand) which is to be held in trust and administered by the Trustees subject to the terms contained in this Deed, which donation the Trustees hereby accept.

3.4 Right to sue and defend/Perpetual succession

The Trust may sue or be sued in the joint names of the Trustees (*nomine officio*) and shall have perpetual succession (notwithstanding any changes from time to time in the composition of the Trustees or Beneficiaries).

3.5 No body corporate

The Trust is not a body corporate, but in terms of the Trust Property Control Act the Trust Fund shall be administered or disposed of by the Trustees separate from the Trustees' personal property, according to the provisions of the Deed, for the benefit of the Beneficiaries and for the achievement of the Trust Object.

3.6 Funding of the Trust

Any Authorised Expenses and other Trust Liabilities shall be funded, as the Trustees determine from time to time, out of :

- (i) the Trust Income;
- (ii) loans to the Trust; and/or
- (iii) any other resource which is available to the Trust from time to time.

3.7 Non-Profit Organisation

If the Trustees deem it appropriate the Trust may apply to be registered as a Non-Profit Organisation in terms of the Non-Profit Organisations Act, and the Deed shall be amended to the extent necessary for this purpose.

3.8 Public Benefit Organisation and section 18A status

- 3.8.1 If deemed appropriate by the Trustees, the Trust may apply to be registered as a Public Benefit Organisation in terms of section 30 of the Income Tax Act, and the Deed shall be amended to the extent necessary for this purpose.
- 3.8.2 If deemed appropriate by the Trustees, the Trust may in terms of the Income Tax Act apply to the Commissioner to be afforded section 18A status, which will allow the Trust to issue to future donors certificates as described in section 18A of the Income Tax Act, and the Deed shall be amended to the extent necessary.
- 3.8.3 No donation of any nature shall be accepted if it is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A of the Income Tax Act. A donor (other than a donor which is an approved Public Benefit Organisation or an institution, board or body which is exempt from tax in terms of section 10(1) (cA)(i) of the Income Tax Act and which has as its sole or principal objective the carrying on of any public benefit activity) may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.

4. Sole object of the Trust

- 4.1** The Trust shall have as its sole object to carry on, support and/or facilitate one or more of the Trust Benefit Activities for the benefit of the Beneficiaries.
- 4.2** The sole object of the Trust shall be achieved, inter alia, through the ownership of the Shares, which shall allow the Trustees, together with any other Trust Income received by the Trust, to utilise the Trust Fund for the benefit of the Beneficiaries in accordance with the Trust Object and through the performance of the Trust Benefit Activities.
- 4.3** The Trust shall carry out, support and/or facilitate the Trust Benefit Activities in accordance with the Community Development Strategy of the Trust.

5. Trust Bank Accounts

The Trustees shall procure the opening of one or more bank accounts in the name of the Trust to manage the receipts and payments of the Trust. The Trustees shall operate each Trust Bank Account in accordance with this Deed.

6. Trust Fund

6.1 Assets of the Trust Fund

The assets of the Trust Fund shall comprise:

- 6.1.1 the initial donation made in terms of clause 3.3 above;
- 6.1.2 the Shares acquired as a result of the Permitted Subscription (and the income derived therefrom);
- 6.1.3 Permitted Investments (and the proceeds and income derived therefrom);
- 6.1.4 cash;
- 6.1.5 any donations (of whatever nature) received by the Trustees; and
- 6.1.6 any other assets which may accrue to or be received by the Trust out of the administration of the Trust Fund.

6.2 Registration of assets

All and any assets of the Trust shall to the extent possible in law be registered in the name of the Trust or in the name of the Trustees (*nomine officio*) or in the name of a nominee for the Trust.

6.3 Instruments of title

The Trustees shall take into their possession and retain in their care and custody or that of their agents all and any instruments of title and other documents relating to or in respect of the Trust and its activities and the assets of the Trust.

6.4 Trust Income

6.4.1 For purposes hereof:

6.4.1.1 Trust Income forming part of the Trust Fund includes any and all amounts of cash and/or other assets received and receivable in any particular Year from the Company, from the SIOC Community Development SPV or from any other source whatsoever, together with any interest received or accrued thereon; and

6.4.1.2 the net income of the Trust Fund in any particular Year comprises the income of the Trust Fund that remains after paying or charging or providing for all Authorised Expenses (but excluding expenses (if any) relating to Permitted Investments, which expenses must be met from the amount approved for making Permitted Investments) and other Trust Liabilities in respect of that Year.

6.5 Trust Capital

For purposes hereof:

6.5.1 capital of the Trust Fund consists of the Trust Fund, including any part of the net income of the Trust Fund which is not used for the benefit of Beneficiaries and is accumulated to the capital; and

6.5.2 net capital of the Trust Fund is the capital of the Trust Fund that remains after paying or charging or providing for all Authorised Expenses and Trust Liabilities.

7. Application of Trust Fund

7.1 Application to achieve the Trust Object

7.1.1 The Trust Fund shall be devoted exclusively towards achieving the Trust Object (through the performance of Trust Benefit Activities and the Trustees making Permitted Investments) and paying Authorised Expenses and other Trust Liabilities.

7.1.2 The Trust shall at all times ensure that it complies with such conditions as the Minister may prescribe by way of law or regulation to ensure that the activities and resources of the Trust are directed towards the furtherance of the Trust Object as described in clause 4 above.

7.1.3 Except for payments in terms of clause 7.5 below (which shall require the majority stipulated in that clause), all payments made (or authorisations for payments provided) from the net income of the Trust Fund (as defined in clause 6.4.1.2 above) shall be approved by a majority decision of the Trustees.

- 7.1.4 The Trust Capital shall only be capable of being used for Trust Benefit Activities following a unanimous resolution of the Trustees, provided, however, that there shall be no Sale or Encumbrance of any or all of the Shares except in accordance with clause 7.14 below.

7.2 Costs of proceedings

All of the expenses, costs, disbursements and liabilities (plus VAT thereon) incurred in or arising out of or in connection with any proceedings in which the Trustees are suing or being sued in respect of any matter arising out of the Trust shall be a first charge on the Trust Fund.

7.3 Costs of forming and administering the Trust

- 7.3.1 All of the expenses, costs, disbursements and liabilities (plus VAT thereon) (which shall, for the avoidance of doubt, include but not be limited to all legal fees, bank charges, audit costs, the costs of the day-to-day running of the Trust, secretarial costs and the out-of-pocket expenses of the Trustees) (collectively referred to as "Costs") incurred in or arising out of the formation or administering of the Trust or any matter arising out of the Trust, in the ordinary course of business, including any tax that is or may become payable by any of the Trustees in their capacity as Trustees of the Trust, may be paid for out of the Trust Fund.

- 7.3.2 The Trustees shall ensure that the Trust is or was not knowingly a party to or does not knowingly permit or has not knowingly permitted itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy which but for such transaction, operation of scheme would have been or would have become payable by any person under the Income Tax Act or any other Act administered by the Commissioner.

7.4 Costs of borrowings

All of the expenses, costs, disbursements and liabilities (plus VAT) incurred in or arising out of any borrowings or financing in respect of the acquisition of any assets forming part of the Trust Fund may be paid for out of the Trust Fund.

7.5 No payments to Trustees (except as reasonable remuneration)

Subject to the provisions of clauses 9.7.1 and 9.7.2, no portion of the Trust Fund shall at any time be paid to any of the Trustees (in whatever capacity), except as reasonable remuneration (as defined in the Fourth Schedule to the Income Tax Act):

- 7.5.1 which is not excessive having regard to what is generally considered reasonable in the relevant sector and in relation to the services rendered and has not and will not economically benefit any such Trustee in any manner which is not consistent with the Trust Object; and

- 7.5.2 which is paid in terms of a written service or employment agreement in terms of which the Trustee concerned is required to render services solely in relation to furthering the Trust Object and which agreement:
 - 7.5.2.1 has been concluded at arm's length;
 - 7.5.2.2 has been approved in writing by not less than 60% (sixty per cent) of disinterested Trustees; and
 - 7.5.2.3 has been approved in writing by the Donor.

7.6 No excessive remuneration

No portion of the Trust Fund shall at any time be paid or otherwise expended by way of any remuneration (as defined in the Fourth Schedule to the Income Tax Act) to any employee, office-bearer (other than a Trustee), member or other person which is excessive having regard to what is generally considered reasonable in the relevant sector and in relation to the services rendered and has not and will not economically benefit any person in any manner which is not consistent with the Trust Object.

7.7 Permitted Investments

Notwithstanding any provision contrary to this clause 7.7 (other than clause 7.1), the Trustees shall be entitled to invest or provide for the investment of no more than 30% (thirty per cent) of the Trust Income (including the SIOC Income) in each Year (but less all expenses relating to the Permitted Investment, which expenses must be carried by the entity which makes the Permitted Investment from funds paid to it by the Trustees) in a Permitted Investment, provided that such Permitted Investment is in furtherance of the Trust Object.

7.8 Conditions for payment

All amounts paid in accordance with the Deed for the benefit of Beneficiaries shall be subject to the following conditions:

- 7.8.1 the Trustees shall be satisfied that, in the case of a Special Purpose Trust as referred to in clause 10.5, there shall be compliance with the governance principles and procedures set forth in Annex "D";
- 7.8.2 all payments shall be made and used in respect of a Project which has been approved by the Trustees in terms of clause 7.10 below;
- 7.8.3 all Projects shall be managed by Opsco or a Special Purpose Trust referred to in clause 10.5 below in accordance with clause 7.9 below;

7.8.4 the expenses, costs, disbursements and liabilities (plus VAT thereon) incurred in or arising out of implementing the Project shall be a reasonable amount. In determining the reasonableness of the amount, the Trustees shall have consideration to the nature, scope and extent of the relevant Project; and

7.8.5 any other condition as determined in the sole and absolute discretion of the Trustees.

7.9 Performance criteria

7.9.1 The Trustees shall from time to time and no less than once a Year review the performance of:

- (i) Opsco and any Special Purpose Trust referred to in clause 7.8.3 above (as the case may be); and
- (ii) the Projects, which review shall be conducted by the Trustees;

by reference to the provisions of Annex "D".

7.10 Project approval and governance

7.10.1 The Trustees shall from time to time in accordance with the Community Development Strategy determine whether and when it is appropriate to approve a Project and/or perform a Trust Benefit Activity.

7.10.2 In formulating the Community Development Strategy, the Trustees in their discretion will have due regard to a distribution of Projects (taking past and present Projects into account) reasonably commensurate with the number of Beneficiaries and the extent of socio-economic needs in the respective Affected Areas.

7.10.3 In approving Projects the Trustees shall, with due regard to Projects which have already been prioritised, inter alia:

7.10.3.1 consider whether the Trust Benefit Activity concerned will benefit the members of the Beneficiary concerned, generally, and will further the Trust Object;

- 7.10.3.2 consider whether the Beneficiary concerned is eligible to be the recipient of a Trust Benefit Activity;
- 7.10.3.3 satisfy themselves that the conditions (set out in clause 7.8 above) relating to the Trust Benefit Activity concerned shall be duly applied;
- 7.10.3.4 determine the amount to be expended in the performance of the Trust Benefit Activity concerned, the nature of the relevant Trust Benefit Activity and any terms or conditions (other than those specified in clause 7.8) attaching to such Trust Benefit Activity;
- 7.10.3.5 ensure that the costs of Opsco and the proposed agreement(s) to be concluded with the relevant service provider(s) appointed (or to be appointed) for the implementation of the Project and performance of the Trust Benefit Activity concerned are to the satisfaction of the Trustees; and
- 7.10.3.6 require Opsco to report to the Trustees from time to time and at least biannually regarding the expenditure incurred and disbursements made in respect of the relevant Project and the progress and/or successful implementation of the relevant Project against the Project budget and implementation plan.

7.11 Beneficiaries have no rights to the Trust Fund

- 7.11.1 The Beneficiaries and any Special Purpose Trust shall have no vested rights or entitlement to any portion of the Trust Fund.
- 7.11.2 Nothing herein contained, nor any resolution, deed or act of the Trustees shall create or confer upon any Beneficiary or Special Purpose Trust any right or claim to any benefit or award or delivery or payment of any income or capital from the Trust Fund.

7.12 Non-transferability of Beneficiaries' interests

The Trustees shall be entitled to refuse to recognise and to treat as null and void any purported transfer, cession, assignment or pledge or other Encumbrance of any supposed rights, interests or hopes of any Beneficiary or Special Purpose Trust hereunder.

7.13 Trustees have no rights to the Trust Fund

No Trustee enjoys any rights in or to the Trust Fund solely by virtue of his being a Trustee.

7.14 Restrictions on sale and encumbrance and disposal of shares

Notwithstanding any provision to the contrary in this Deed, there shall be no Encumbrance of the dividend income from the Shares received or receivable by the Trust from time to time and neither shall there be any Sale, Encumbrance or disposal by the Trust of any or all of the Shares without having first consulted with the Donor and then only in the following circumstances:

- 7.14.1 in relation to the provision of security for the acquisition by the SIOC Community Development SPV of Shares in SIOC;
- 7.14.2 the termination by the Company of all of its mining operations in the Affected Areas; or
- 7.14.3 the Sale by the Donor of the whole of, or substantially the whole of, the business of the Donor.

8. Opsco

- 8.1 Opsco, being a division of the Trust, shall be responsible for the performance of the following:
 - (i) identifying, evaluating and tabling viable Project proposals in accordance with the Community Development Strategy for consideration by the Project Review Committee of the Trust and recommendation to the Board of Trustees; and
 - (ii) implementing those Projects approved by the Trustees, which also includes rendering such accounting, monitoring and reporting services as prescribed by this Deed or required by the Trustees from time to time.
- 8.2 All costs, expenses and disbursements incurred in relation to and by Opsco shall form part of the Authorised Expenses.

9. Appointment of Trustees

9.1 Number of Trustees

- 9.1.1 It is hereby recorded that for the purposes of registration of the Trust, there were 2 (two) initial Trustees, namely Willem F. van Heerden and Michelle Kimmie. Thereafter and from time to time additional Trustees were appointed in accordance with the principles set out in the remainder of this clause 9 and also on the basis that the Trustees shall not be connected persons (as defined in the Income Tax Act) in relation to each other and provided further that no single Trustee shall directly or indirectly control the decision-making powers of the Trust. Once the full Board of Trustees has been appointed and only to the extent required in order to ensure that the principles of this clause 9 are complied with, the Initial Trustees undertake to resign from the Board of Trustees as and when so requested by the Donor.
- 9.1.2 There shall not be more than 14 (fourteen) Trustees serving on the Board of Trustees and each of them shall accept the fiduciary responsibility of the Trust.
- 9.1.3 Save as set out in clause 9.1.1, if the number of Trustees is at any time for whatever reason fewer than 7 (seven), the remaining Trustees may take no actions (including the approval of any Projects or Trust Benefit Activities for the benefit of any Beneficiaries) other than:

- 9.1.3.1 to immediately inform the Donor in writing that the number of Trustees is less than 7 (seven), providing the identities of the then remaining Trustees; and
- 9.1.3.2 to maintain and preserve the Trust Assets until the Donor has taken the necessary steps to procure the appointment by the Master of sufficient Trustees to bring the total number of Trustees in office to at least 7 (seven) Trustees.
- 9.1.4 Save as set out in clause 9.1.1, the Donor shall, as soon as reasonably practicable after becoming aware that there are fewer than 7 (seven) Trustees in office, promptly procure that sufficient Trustees are appointed by the Master to bring the total number of Trustees in office to at least 7 (seven) Trustees and that the Board of Trustees is comprised in accordance with the principles stipulated in clauses 9.1.1 above and 9.2.1 below.

9.2 Appointment of Trustees

- 9.2.1 Save for the recordal in clause 9.1.1, the composition of the Board shall as a minimum comply with the principles stated in clauses 9.1.1 and 9.1.2 above and shall be made up as follows:
 - 9.2.1.1 a minimum of 50% (fifty per cent) of the Trustees shall be nominated by the Beneficiaries for appointment to the Board by the Master, and for purposes of facilitating this nomination process the Trustees shall be entitled to utilise the services of the Independent Electoral Commission of South Africa (or a similar body);
 - 9.2.1.2 a minimum of 50% (fifty per cent) of the Trustees shall be nominated by the Donor for appointment to the Board by the Master; and
 - 9.2.1.3 no fewer than 2 (two) of the Trustees nominated by the Donor for appointment to the Board by the Master shall be independent Trustees in the sense that they are not employed by the Trust, the Donor or Kumba Iron Ore or any other company directly or indirectly associated with the Donor and do not hold any direct or indirect beneficial interest in the Trust;
 - 9.2.1.4 a minimum of 50% (fifty per cent) of the Trustees shall be Black People with exercisable voting rights; and
 - 9.2.1.5 25% (twenty-five per cent) of the Board shall consist of Black females with exercisable voting rights.

9.3 Chairperson

The chairperson of the Board of Trustees shall be an independent Trustee (appointed in accordance with clause 9.2.1.3).

9.4 Security

The Trustees, including the Initial Trustees, shall not be required to furnish security for the due performance of any duty under the Trust Property Control Act or under any other statutory provision of South Africa or elsewhere or in respect of their administration of the Trust hereby created, either individually or collectively, to the Master or to any other government official, and the need for furnishing any such security under any law for the time being in force is hereby dispensed with.

9.5 Disqualification from being a Trustee

- 9.5.1 A person shall be disqualified from being appointed or acting as a Trustee if such person:
- 9.5.1.1 has been sequestered, whether provisionally or finally, or has committed an act of insolvency as described in the Insolvency Act, Act No. 24 of 1936; or
 - 9.5.1.2 is insane or has been declared incapable of managing his/her affairs or has been declared a prodigal; or
 - 9.5.1.3 has been convicted under the laws of any country of any offence involving dishonesty or any other offence for which he has been sentenced to imprisonment without the option of a fine; or
 - 9.5.1.4 is over 70 years of age unless the other Trustees annually waive this disqualification in relation to any person; or
 - 9.5.1.5 has been disqualified to act as a director of a company.
- 9.5.2 In addition to the grounds of ineligibility referred to above, a person shall also be ineligible to be a Trustee if he is in the service of the state, i.e.:
- 9.5.2.1 a member of any municipal council;
 - 9.5.2.2 an executive member of the board of directors of any municipal entity;
 - 9.5.2.3 an official of any municipality or municipal entity;
 - 9.5.2.4 an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, Act 1 of 1999;
 - 9.5.2.5 a member of the accounting authority of any national or provincial public entity;
 - 9.5.2.6 an employee of Parliament or a provincial legislature; or
 - 9.5.2.7 any provincial legislature or the National Assembly or National Council of Provinces.

9.6 Vacation of office by Trustees

A person shall cease to hold office as a Trustee if that person:

- 9.6.1 becomes disqualified from being a Trustee in accordance with clause 9.5; or
- 9.6.2 resigns on reasonable written notice to the other Trustees (provided that there remain at least 7 (seven) other Trustees in office); or
- 9.6.3 is requested in writing to resign by a majority of the remaining Trustees (provided that there remain at least 7 (seven) other Trustees in office); or
- 9.6.4 has been appointed for a limited period and such period has expired.

9.7 Remuneration of Trustees

- 9.7.1 The Trustees shall be entitled to be reimbursed from the Trust Fund for reasonable and necessary accountable out-of-pocket expenses incurred on behalf of the Trust.
- 9.7.2 In addition to the out-of-pocket expenses to be paid to Trustees pursuant to clause 9.7.1, each Trustee shall be entitled to receive such remuneration as determined by the Trustees from time to time, which shall be payable at such times as the Trustees shall determine; provided, however, that the Trustees shall not pay any remuneration (as defined in the Fourth Schedule of the Income Tax Act) to themselves or to any employee, office bearer, Beneficiary or other person which is excessive, having regard to what is generally considered reasonable in the mining sector and in relation to the services rendered, and that has not economically benefitted and will not economically benefit any person in a manner which is not consistent with the object of the Trust.
- 9.7.3 All amounts paid to the Trustees in terms of this clause 9.7 shall form part of the administration costs referred to in clause 7.3.
- 9.7.4 Subject to clauses 7.5 and 7.6, a Trustee may be employed by the Trust or may otherwise agree to render services to the Trust and receive reasonable remuneration therefor.

9.8 Exemption of Trustees from liability

Except in the case of any loss arising from his/her own dishonesty or failure in the performance of his/her duties or exercise of his/her powers under this Deed to observe the degree of care, diligence and skill which can reasonably be expected of a person who manages the affairs of another:

- 9.8.1 no Trustee shall be personally liable for any loss suffered by the Trust, whatever the cause; and
- 9.8.2 a Trustee shall be indemnified out of the Trust Fund against any claims made against him/her arising out of or in any way connected with any act or omission in the course of the administration of the Trust.

- 9.8.3 The Trust may purchase insurance to protect:
 - 9.8.3.1 a Trustee against any liability or expenses for which the Trust is permitted to indemnify a Trustee in accordance with clause 9.8.4 below; or
 - 9.8.3.2 the Trust against any contingency, including but not limited to –
 - 9.8.3.2.1 any expenses –
 - 9.8.3.2.1.1 that the Trust is permitted to advance to a Trustee to defend litigation in any proceedings arising out of the Trustee's lawful service to the Trust and which is not in breach of the provisions of this Deed; or
 - 9.8.3.2.1.2 for which the Trust is permitted to indemnify a Trustee in accordance with clause 9.8.5 below; or
 - 9.8.3.2.2 any liability for which the Trustees are permitted to indemnify a Trustee in accordance with clause 9.8.4 below.
- 9.8.4 The Trust may indemnify a Trustee in respect of any liability arising other than as contemplated in clause 9.8.6 below.
- 9.8.5 The Trust –
 - 9.8.5.1 may advance expenses to a Trustee to defend litigation in any proceedings arising out of the Trustee's service to the Trust; and
 - 9.8.5.2 may directly or indirectly indemnify a Trustee for expenses contemplated in clause 9.8.5.1 above, irrespective of whether it has advanced those expenses, if the proceedings:
 - 9.8.5.2.1 are abandoned or exculpate the Trustee; or
 - 9.8.5.2.2 apply in respect of any liability for which the Trust may indemnify the Trustee in terms of clauses 9.8.4 above and 9.8.6 below.
- 9.8.6 The Trust may not indemnify a Trustee in respect of –
 - 9.8.6.1 any liability arising from wilful misconduct, wilful breach of any laws in existence in South Africa from time to time, or wilful breach of trust on the part of the said Trustee; or
 - 9.8.6.2 any fine contemplated in clause 9.8.7 below.
- 9.8.7 The Trust may not directly or indirectly pay any fine that may be imposed on a Trustee as a consequence of that Trustee having been convicted of an offence unless the conviction was based on strict liability.

9.9 Acts valid despite defect in appointment

All acts performed in good faith by Trustees holding Letters of Authority reflecting them as Trustees shall be valid, notwithstanding any defect in their appointment as a Trustee in terms of this Deed.

10. Powers of Trustees

10.1 Powers of a natural person of full legal capacity

The Trustees shall (on and with effect from the time of the issuance of Letters of Authority reflecting them as Trustees) have all the powers of a natural person of full legal capacity dealing with his/her own affairs, except only for any powers which it is not competent in law to confer on Trustees and subject to any restrictions contained in this Deed. Without in any way limiting the scope of the Trustees' powers, they shall have the power to do the following from time to time and on such terms and conditions as they may decide in furtherance of the Trust Object:

10.1.1 Permitted Investments

Purchase and/or subscribe for or otherwise acquire from time to time any Permitted Investments;

10.1.2 Contracts

Enter into contracts (but only to the extent that they are concluded in furtherance of the Trust Object, on an arm's length basis, and in relation to any one or more of the Trust Benefit Activities), including loans as borrower or lender, suretyships, guarantees or indemnities, contracts of insurance and assurance, and contracts for the services of advocates, attorneys, auditors, advisers, agents, secretaries and others and to employ staff;

10.1.3 Determinations regarding Trust Capital and Trust income

Determine which assets constitute Trust Capital and which constitute Trust Income;

10.1.4 General

Generally, do all things which they consider necessary or desirable in the interest of the Trust, provided that under no circumstances shall the resources of the Trust be used, directly or indirectly, to support, advance or oppose any political party.

10.2 Delegation of rights/powers and/or discretions to committee(s)

10.2.1 The Trustees may delegate any of their rights, powers and/or discretions to a committee specifically established by the Trustees ("Committee") which comprises any one or more persons, investment managers or specialists, subject to such terms and conditions as they may deem fit.

10.2.2 The membership of any Committee (other than a formal advisory committee) formed in terms of this subclause shall comprise a majority of Trustees.

- 10.2.3 Each such Committee shall keep detailed and accurate minutes of all their meetings which shall be available for inspection by the Trustees at the address of the Trust.

10.3 Advisory board to the Trustees

The Trustees may procure and fund the establishment of an advisory board or consultants to the Trust. The advisory board and consultants will advise and make recommendations on any decision to be taken by the Trustees in the attainment of the Trust Object and the Trustees will give due consideration to such advice and recommendations. The advice and recommendations of the advisory board and consultants shall, however, not be binding on the Trustees. The Trustees may determine rules and procedures to govern the advisory board or consultants in accordance with the provisions set out in clause 10.6.

10.4 Trustees may not contract with the Trust

A Trustee is disqualified from entering into any contract with the Trust or being interested in any such contract and from retaining the profit arising from such contract (other than a service agreement or employment agreement referred to in clauses 7.5 and 7.6).

10.5 Power to establish Special Purpose Trusts

- 10.5.1 In furtherance of the Trust Object and to ensure that a broad range of Beneficiaries benefit from the Trust, the Trust shall be entitled, subject to the provisions of Annex "D":
- 10.5.1.1 to establish and/or fund separate trusts (hereafter: "Special Purpose Trusts"), which Special Purpose Trusts:
1. may be established only for the benefit of defined Beneficiaries;
 2. may be funded by the Trust; and
 3. will have as their sole or as one of their principal objects the carrying out of any one or more Trust Benefit Activities for the benefit of the relevant Beneficiaries (which objects shall be determined by the Trustees having regard to and taking into account the specific requirements of the Beneficiaries concerned); and
- 10.5.1.2 to fund any other trust or organisation which is registered as a Public Benefit Organisation, but only in furtherance of the Trust Object.
- 10.5.2 It is hereby recorded that a Special Purpose Trust, known as the Godisang Thabazimbi Community Development Trust, has already been established to conduct Trust Benefit Activities in the Thabazimbi municipal area until such time as it is taken over by ArcelorMittal South Africa Ltd (or any successor-in-title) or any other company within the ArcelorMittal South Africa Ltd group of companies, or the Trustees resolve to dissolve same.

- 10.5.3 The provisions of clause 9.5 above shall with the necessary changes and to the extent allowed in law, also apply to any Special Purpose Trust established in terms of clause 10.5.1 above; provided, however, that the provisions of clauses 9.5.2.1, 9.5.2.2 and 9.5.2.3 shall not render any current trustee of the Godisang Thabazimbi Community Development Trust ineligible to serve as a trustee of the said trust; and provided further that the provisions of clause 9.5 shall however apply in respect of any future appointment or substitution of a trustee of the Godisang Thabazimbi Community Development Trust.
- 10.5.4 The Trustees of a Special Purpose Trust shall sign a Deed of Adherence binding them to the relevant provisions of this Trust Deed prior to the Special Purpose Trust being funded by the Trust.

10.6 Power to establish rules

The Trustees shall have the power in their discretion to establish, amend and withdraw rules, procedures and guidelines which the Trustees shall follow in exercising the powers contained in this Deed or in respect of any other matter which the Trustees deem appropriate; provided that any such rules, procedures and guidelines shall not be in conflict with this Deed or with any laws in existence in South Africa from time to time.

10.7 Power to register the Trust as a Non-Profit Organisation or Public Benefit Organisation

- 10.7.1 If, in terms of clause 3.7, it is determined that the Trust shall make application to register as a Non-Profit Organisation, the Trustees shall have the power to register the Trust as a Non-Profit Organisation in terms of section 13(5) of the Non-Profit Organisations Act and to perform any such actions as may be required to comply with any other requirements imposed by the Non-Profit Organisations Act.
- 10.7.2 If, in terms of clause 3.8, it is determined that the Trust shall make application to register as a Public Benefit Organisation, the Trustees shall have the power to register the Trust as a Public Benefit Organisation in terms of the Income Tax Act and to perform any such actions as may be required to comply with the relevant provisions of the Income Tax Act applicable to Public Benefit Organisations.

10.8 Power to hold and vote shares and other securities

- 10.8.1 The Trustees shall be entitled, from time to time, to hold shares or other securities in private or public companies and the Trustees shall have the power to exercise, as they deem fit, the voting rights and any other right in or attaching to such shares or other securities.
- 10.8.2 As the registered and beneficial owner of the shares or other securities referred to in clause 10.8.1 above, the Trustees shall, subject to the provisions of the relevant Memorandum of Incorporation of the companies in which such shares or other securities are held, have the power to appoint and/or elect directors of those companies. The directors so appointed or elected shall have the power to act in such capacities, to attend board meetings of those companies and to do all things necessary for or incidental to carrying out the duties of a director.

10.9 Power to execute deeds

Subject to any express provisions which may be contained herein, all deeds, documents or instruments required to be executed by the Trustees shall be deemed to have been validly executed if executed in the name of the Trust by any 2 (two) Trustees if duly authorised thereto by resolution of the Trustees.

10.10 Power to appoint directors of the SIOC Community Development SPV and to act as director

As the registered and beneficial owner of the Shares the Trustees shall, subject to the provisions of the Memorandum of Incorporation of the SIOC Community Development SPV, have the power to appoint and/or elect directors of the SIOC Community Development SPV. The directors so appointed or elected shall have the power to act in such capacities, to attend board meetings of the SIOC Community Development SPV and to do all things necessary for or incidental to carrying out the duties of a director.

11. Restrictions and limitations of Trustees' powers

Powers to be used to achieve the objectives of MPRDA and/or the Charter

- 11.1 In furtherance of the Trust Object in relation to the Beneficiaries, the Trustees shall exercise their powers so as to facilitate, to the extent possible, any one or more of the following objects under the MPRDA or the Charter:

- 11.1.1 in terms of section 2(c) of the MPRDA, to promote, through the Trust's ownership of the Shares and therefore indirect ownership of shares in the share capital of the Company ("SIOC Shares"), equitable access for the Beneficiaries to the mineral resources of the Company; and/or
- 11.1.2 in terms of section 2(d) of the MPRDA, to substantially and meaningfully expand opportunities for the Beneficiaries to benefit from the exploitation of the Company's mining business; and/or
- 11.1.3 in terms of section 2(f) of the MPRDA, to advance the social and economic welfare of the Beneficiaries; and/or
- 11.1.4 in terms of section 2(h) of the MPRDA and to give effect to the Constitution, to promote justifiable social and economic development of the Beneficiaries; and/or
- 11.1.5 in terms of section 2(i) of the MPRDA, to promote the socio-economic development of any of the Affected Areas; and/or
- 11.1.6 to promote and facilitate the expansion of opportunities for the Beneficiaries to benefit from the exploitation by the Company of its mining business; and/or
- 11.1.7 to promote the employment and advance the social and economic welfare of communities in the Affected Areas.

11.2 Non-beneficiaries not to benefit under the Trust

The Trustees shall not grant any benefits for any purpose to any person other than a Beneficiary in the furtherance of the Trust Object.

11.3 No connected persons to benefit under the Trust

No Trustee or any relative (which shall mean the spouse, child, grandchild, parent, grandparent or sibling) of a Trustee may derive any direct personal benefit from the Trust Fund, save (i) in respect of a written service or employment agreement referred to in clauses 7.5 or 7.6, or (ii) where such benefit is as a result of the Trustees' or the Trustees' relatives' residency in an Affected Area.

11.4 Further restriction (requiring consent of two-thirds of the Trustees)

The Trustees shall not, without prior consent having been obtained from two-thirds of the Trustees (or such number of Trustees as is nearest to two-thirds) who were present and voting at a meeting at which a quorum is present:

11.4.1 Incur liabilities

obtain any banking facilities (whether or not utilised), incur any loans (whether interest bearing or not), or enter into any financial lease or suspensive sale, other than specifically budgeted for in the annual budget of the Trust;

11.4.2 Approve annual budgets

approve the annual budget, annual business plan and operational, lease and capital expenditure budgets of the Trust and each revision thereof;

11.4.3 Encumber any Trust assets

subject to the provisions of clause 7.14 above, furnish any encumbrances over any Trust Asset or furnish any guarantees, suretyships, undertakings or indemnities for the obligations of any one or more third parties;

11.4.4 Carry on any business

carry on any business or allow any person other than a Beneficiary to occupy free of charge any building owned by the Trust; or

11.4.5 Acquire immovable property for rental purposes

acquire immovable property for the purpose of deriving rental income therefrom.

11.5 Amendments to this Deed

11.5.1 The Trustees undertake that no amendments, variations or additions may be made to this Deed without the affirmative vote of at least two-thirds of the Trustees (or such number of Trustees as is nearest to two-thirds) and the prior written consent of the Donor; provided, however, that if the Donor ceases to exist for whatever reason, the Deed may be amended with the affirmative vote of at least two-thirds of the Trustees (or such number of Trustees as is nearest to two-thirds).

11.5.2 In the event of an amendment to this Trust Deed, a copy of the amendment shall forthwith be submitted to the Master of the High Court and to the Commissioner.

11.6 No dissolution of the Trust

11.6.1 The Trustees shall not have the power to dissolve or liquidate the Trust before the Final Date without the prior written consent of the Donor; provided, however, that if the Donor ceases to exist for whatever reason, the Trust may be dissolved or liquidated with the affirmative vote of at least two-thirds of the Trustees (or such number of Trustees as is nearest to two-thirds).

11.6.2 In the event of the Trust being dissolved in terms of clause 11.6.1 above or for any other reason, its assets, including all movable and immovable property owned by it and all rights to that property which may have vested in or have been acquired by it at such time, shall be transferred to and vest in and become the property of a Public Benefit Organisation determined by the Trustees which shall have similar aims and objectives as those of the Trust, whose aims and objectives have been approved in terms of section 30 of the Income Tax Act, and such Public Benefit Organisation shall also be required to use those assets

solely for the purpose of carrying on public benefit activities to the benefit of the Beneficiaries.

12. Financial records and financial matters

12.1 Accounting records and reports

12.1.1 The Trustees shall keep and maintain, in accordance with generally accepted accounting practice in South Africa, full and accurate accounting records of the financial affairs of the Trust, including of its income, expenditure, assets and liabilities.

12.1.2 The Trustees shall furnish the Commissioner with all relevant documents as required annually by the Commissioner and shall take all reasonable steps to ensure that all prescribed reporting requirements are met.

12.2 Appointment of Auditors

The Trustees shall ensure that the Trust has Auditors appointed at all times to fulfil the obligations set out in clause 12.3.

12.3 Financial statements of the Trust

Within 6 (six) months of the end of each Financial Year of the Trust, the Trustees shall cause the financial statements to be drawn up in accordance with International Financial Reporting Standards, which financial statements shall be audited by the Auditors in accordance with International Standards on Auditing. The audited financial statements of the Trust shall be submitted to the Donor as soon as they have been approved by the Trustees, which approval must be obtained within 6 (six) months of the end of each Financial Year.

12.4 Retention of books of account

The Trustees shall cause to be retained the Trust's books of account, supporting vouchers, income and expenditure statements, balance sheets and accounting officer's reports, in an original or, if necessary, reproduced form for such periods as may be prescribed from time to time by any applicable law.

12.5 Financial year-end

The financial year-end of the Trust shall be the last day of December of each Year ("Financial Year").

12.6 Financial transactions

The Trustees shall ensure that all financial transactions of the Trust shall be conducted by means of any one or more Trust Bank Accounts.

12.7 Budget

The Trustees shall procure that, prior to the commencement of each Year, a budget of Costs (as defined in clause 7.3) is prepared and approved by the Trustees in accordance with the provisions of clause 11.4.2 above.

13. Meetings of Trustees

13.1 Chairperson

The Trustees shall appoint (from their number) a chairperson to the Board of Trustees in accordance with the provisions of clause 9.3 above.

13.2 Annual general meetings

The Trustees shall hold an annual general meeting of Trustees, upon reasonable notice to all Trustees, within 9 (nine) months of the end of each Financial Year of the Trust at which annual general meeting the audited financial statements for the previous Financial Year of the Trust shall be presented to the Trustees and the Donor.

13.3 Other meetings

The Trustees shall hold such other meetings as they deem fit and upon such notice as may be reasonable in the circumstances, provided that the Trustees shall meet at least 4 (four) times in a Year.

13.4 Convening of meetings

Any Trustee may at any time convene a meeting of the Trustees on reasonable notice to the other Trustees and at a venue reasonably accessible by the Trustees.

13.5 Notices of meetings

Notices convening Trustee meetings shall specify the business to be dealt with at the meeting and, if possible, shall be accompanied by the minutes of the previous meeting.

13.6 Agenda

13.6.1 Notices convening Trustee meetings shall include an agenda stating the matters to be dealt with at the meeting in sufficient detail to enable the Trustees to prepare adequately for the meeting.

13.6.2 The contents of the notice and agenda shall be prepared by the secretary of the Trust in consultation with the chairperson of the Board of Trustees.

13.6.3 Any Trustee may at any time require that any matter be included on the agenda for a meeting.

13.7 Time and venue

- 13.7.1 Trustee meetings shall be held at a reasonable time and venue. In the ordinary course of business, Trustee meetings shall be held at the principal place of business of the Trust or at such other venue as the Trustees may from time to time agree by majority resolution.
- 13.7.2 All reasonable and necessary travel and associated costs required to be incurred by the Trustees in fulfilling their obligations to attend any meeting may be paid out of the Trust Fund.

13.8 Quorum for meetings

- 13.8.1 Subject to clause 9.1.1, in which circumstances a quorum shall be the 2 (two) Initial Trustees, a quorum at any Trustee meeting shall be a majority of Trustees present at the commencement and for the duration of the meeting, provided that 1 (one) of the Trustees shall be an Independent Trustee, one Trustee shall be a Donor representative Trustee and one Trustee shall be a Beneficiary representative Trustee.
- 13.8.2 If no quorum is constituted at any Trustee meeting within 30 (thirty) minutes from the specified time, the meeting shall be adjourned to a date not 7 (seven) days later, at the same time and venue, or if that date is not a Business Day, then to the next succeeding Business Day. If at such adjourned meeting a quorum is not present within 30 (thirty) minutes from the time of that meeting, the Trustees present shall be deemed to constitute a quorum.
- 13.8.3 Any Trustee who participates (such that that Trustee can hear all of the proceedings at the meeting and can be clearly heard at that meeting) from the commencement and for the duration of a meeting by way of a telephone conference call or by way of a video conference or other audio, audiovisual or electronic means shall be deemed to be present at the meeting and shall be counted towards the quorum.
- 13.8.4 Any Trustee who cannot for good reason attend any Trustee meeting may by notice in writing to the Trust signed by the Trustee (a fax or email signed by the Trustee shall suffice for purposes thereof) appoint another Trustee to represent him/her at any particular Trustee meeting. Such Trustee shall be deemed to be present at the meeting (through his/her representative) and shall be counted towards the quorum.

13.9 Voting of Trustees

- 13.9.1 Each Trustee shall have one vote, and in the circumstances envisaged in clause 13.8.4 a Trustee shall have one additional vote for each Trustee whom he represents at a particular Trustee meeting.
- 13.9.2 All resolutions of Trustees, to be valid, shall be passed by simple majority vote by those of the Trustees present and entitled to vote at a quorate Trustee meeting unless a majority vote other than a simple majority vote of the Trustees is required in terms of this Deed.

13.10 Trustees' personal financial interest

13.10.1 A Trustee may at any time disclose any personal financial interest (as defined in clause 13.10.2 below) in advance in writing to the remaining Trustees if he becomes aware of such personal financial interest which he or a relative (as referred to in clause 11.3 above) has or may have in:

- (i) a contract to be concluded by the Trust;
- (ii) a Project to be entered into on behalf of or for the benefit of Beneficiaries;
- (iii) a Special Purpose Trust referred to in clause 10.5 above; or
- (iv) any other matter in which the disclosing Trustee or relative has a personal financial interest,

and such disclosure shall set out the nature and extent of that interest.

13.10.2 For purposes of clause 13.10.1 above, "personal financial interest", when used with respect to any Trustee or relative, means a direct material interest of that person of a financial, monetary or economic nature, or to which a monetary value may be attributed.

13.10.3 If a Trustee has a personal financial interest in respect of a matter to be considered at a meeting of the Board of Trustees or knows that a relative has a personal financial interest in the matter, the Trustee –

13.10.3.1 shall disclose the interest and its general nature before the matter is considered at the meeting;

13.10.3.2 shall disclose to the meeting any material information relating to the matter, and known to the Trustee;

13.10.3.3 may disclose any observations or pertinent insights relating to the matter if requested to do so by the other Trustees;

13.10.3.4 if present at the meeting, shall leave the meeting immediately after making any disclosure contemplated in clauses 13.10.3.2 or 13.10.3.3;

13.10.3.5 shall not take part in the consideration of the matter, except to the extent contemplated in clauses 13.10.3.2 and 13.10.3.3;

13.10.3.6 while absent from the meeting in terms of this clause 13.10.3 –

13.10.3.6.1 is to be regarded as being present at the meeting for the purpose of determining whether sufficient Trustees are present to constitute the meeting; and

- 13.10.3.6.2 is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
- 13.10.3.7 shall not execute any document on behalf of the Trust in relation to the matter unless specifically requested or directed to do so by the Board of Trustees.
- 13.10.4 If a Trustee acquires a personal financial interest in an agreement or other matter in which the Trust has a material interest or knows that a relative has acquired a personal financial interest in the matter, after the agreement or other matter has been approved by the Trust, the Trustee shall promptly disclose to the Board of Trustees the nature and extent of that interest and the material circumstances relating to the Trustee's or relative's acquisition of that interest.

13.11 Round-robin resolutions

- 13.11.1 A written resolution (which may consist of one or more documents in like form, each signed by a Trustee) signed and passed by a sufficient number of Trustees to form a quorum and holding the requisite number of votes, and inserted in the minute book, shall be valid and effective in accordance with its terms as if passed at a meeting of the Trustees, in terms of this Deed, provided that proper notice of the written resolution was duly given to each of the Trustees in terms of this Deed and provided further than any Trustee, after receipt of such notice, may if he deems it necessary convene a meeting of the Trustees in terms of clause 13.4 to discuss the contents of such notice.
- 13.11.2 Unless the contrary is stated therein, any such resolution shall be deemed to have been passed on the latest date on which it was signed by any Trustee.
- 13.11.3 An email of a Trustee's signed resolution shall be acceptable evidence that such resolution has been signed by the Trustee whose signature appears on the email.

13.12 Minutes

- 13.12.1 Minutes shall be:
 - 13.12.1.1 kept of all Trustee meetings;
 - 13.12.1.2 settled by the chairperson of the meeting concerned and circulated to all Trustees together with the notice and agenda convening the next Trustee meeting (within 30 (thirty) Business Days following the meeting);
 - 13.12.1.3 submitted to the next meeting for approval, with or without modification; and
 - 13.12.1.4 signed by the chairperson and secretary of that meeting, confirming the approval of the meeting.

- 13.12.2 The minutes, or a certified copy of the minutes, signed by the chairperson or by the Trustees present at the meeting shall constitute evidence of the contents of minutes until the contrary is proven.

13.13 Failure of the Trustees to meet

In the event that the Trustees fail to hold a meeting of Trustees in any Year, the Donor shall be entitled to remove and replace some or all of the Trustees, provided that such removals and replacements shall at all times be made in accordance with the principles set out in clause 9.2 and shall not result in any prejudice to the Beneficiaries and/or the Trust Object.

14. Termination of the Trust

The Trust shall continue until the Final Date.

15. Mediation and arbitration

15.1 Separate, divisible agreement

This clause 15 is a separate, divisible agreement from the rest of this Deed and shall:

- 15.1.1 not be or become void, voidable or unenforceable by reason only of any alleged misrepresentation, mistake, duress, undue influence, impossibility (initial or supervening), illegality, immorality, absence of consensus, lack of authority or other cause relating in substance to the rest of the Deed and not to this clause. The parties intend that any such issue shall at all times be and remain subject to arbitration in terms of this clause; and
- 15.1.2 remain in effect even if the Deed terminates or is cancelled.

15.2 Disputes subject to mediation and arbitration

Save as may be expressly provided for elsewhere in this Deed for the resolution of particular disputes, any other dispute arising out of or in connection with this Deed or the subject matter of this Deed, including, without limitation, any dispute concerning:

- 15.2.1 the existence of the Deed apart from this clause;
- 15.2.2 the interpretation and effect of the Deed;
- 15.2.3 the parties' respective rights or obligations under the Deed;
- 15.2.4 the rectification of the Deed;
- 15.2.5 the breach, termination or cancellation of the Deed or any matter arising out of the breach, termination or cancellation; or

- 15.2.6 damages arising in delict, compensation for unjust enrichment or any other claim,
(whether or not the rest of the Deed apart from this clause is valid and enforceable), shall be referred for mediation as set out in clause 15.3.

15.3 Mediation

If the parties to any dispute are unable to agree on a mediator or to resolve any dispute by way of mediation within 14 (fourteen) Business Days of any party to any dispute in writing requesting that the dispute be resolved by mediation, then the dispute shall be submitted for and decided by arbitration as set out in this clause.

15.4 Appointment of arbitrator

- 15.4.1 The parties to any dispute shall agree on the arbitrator, who shall be an attorney or advocate on the panel of arbitrators of the Arbitration Foundation of Southern Africa ("AFSA"). If agreement is not reached within 10 (ten) Business Days after any party calls in writing for such agreement, the arbitrator shall be an attorney or advocate (of not less than 10 (ten) years standing) nominated by the Registrar of AFSA for the time being.
- 15.4.2 The request to nominate an arbitrator shall be in writing outlining the claim and any counterclaim of which the party concerned is aware and, if desired, suggesting suitable nominees for appointment as arbitrator, and a copy shall be furnished to the other parties to the dispute who may, within 7 (seven) Business Days, submit written comments on the request to the addressee of the request with a copy to the first party.

15.5 Venue and period for completion of arbitration

The arbitration shall be held in Pretoria and the parties to the dispute shall endeavour to ensure that it is completed within 90 (ninety) days after notice has been given requiring the claim to be referred to arbitration.

15.6 Arbitration Act – rules

The arbitration shall be governed by the Arbitration Act, Act No. 42 of 1965, or any other replacement Act and shall take place in accordance with the Commercial Arbitration Rules of AFSA.

15.7 Application to court for urgent interim relief

Nothing contained in this clause 15 shall prohibit a party to the dispute from approaching any court of competent jurisdiction for urgent interim relief pending determination of the dispute by arbitration.

16. Miscellaneous matters

16.1 Addresses

16.1.1 The parties choose as their *domicilia citandi et executandi* for all purposes under this Deed, whether in respect of court process, notices or other documents or communications of whatsoever nature, the following addresses:

16.1.1.1 **Sishen Iron Ore Company (Pty) Ltd:**

Physical address: Anglo American Kumba Building, Centurion Gate, 124 Akkerboom Street, Centurion, 0157

Email: cosec.kumba@angloamerican.com

Marked for the attention of: [Celeste Apollis]

16.1.1.2 **SIOC Community Development Trust:**

Physical Address: SIOC Office Park, Block A, Ground Floor, Cnr Hendrick van Eck & Ian Flemming Roads, Kathu, 8446

Email: vusani@sioc-cdt.co.za

Marked for the attention of: Mr Vusani Malie

16.1.2 The notice shall be deemed to have been duly given:

16.1.2.1 10 (ten) Business Days after posting, if posted by registered post (airmail, if available) to the party's address in terms of this clause 16.1;

16.1.2.2 On delivery, if delivered to the party's physical address in terms of either this clause 16.1 or clause 16.2 between 08H30 and 17H00 on a Business Day (or on the first Business Day after that if delivered outside such hours); or

16.1.2.3 On dispatch, if sent to the party's then fax number or email address between 08H30 and 17H00 on a Business Day (or on the first Business Day after that if dispatched outside such hours),

unless the addressor is aware, at the time that notice would otherwise be deemed to have been given, that the notice is unlikely to have been received by the addressee through no act or omission of the addressee.

16.1.3 A party may, for this purpose, change their address or fax number or email address by notice in writing to the other parties, such change to be effective only on and with effect from the 7th (seventh) Business Day after the giving of such notice.

16.1.4 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a party shall be an adequate written notice or communication to that party notwithstanding that the notice or communication was not sent to or delivered at that party's chosen address in clause 16.1.

16.2 Address for service of legal documents

- 16.2.1 The parties each choose respectively the physical address reflected in clause 16.1 above as the address at which documents in legal proceedings in connection with this Deed may be served (i.e. their domicilia citandi et executandi).
- 16.2.2 A party may, for this purpose, change their address to another physical address in South Africa by notice in writing to the other parties, such change to be effective only on and with effect from the 7th (seventh) Business Day after the giving of such notice.
- 16.2.3 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by any party shall be deemed to be an adequate service of such written notice or communication to that party notwithstanding that the notice or communication may not have been sent to or delivered or served at that party's chosen domicilium citandi et executandi.

16.3 Entire contract

This Deed contains all the express provisions agreed on by the parties with regard to the subject matter of the Deed and the parties waive the right to rely on any alleged provision not expressly contained in this Deed.

16.4 No representations

A party may not rely on any representation which allegedly induced that party to enter into this Deed, unless the representation is recorded in this Deed.

16.5 Cancellation and waiver

No contract cancelling this Deed and no waiver of any right under this Deed shall be effective unless reduced to writing and signed by or on behalf of the parties duly authorised thereto.

16.6 Indulgences

The grant of any indulgence by a party under this Deed shall not constitute a waiver of any right by the grantor or prevent or adversely affect the exercise by the grantor of any existing or future right of the grantor. Accordingly, if a party at any time breaches any of their obligations under this Deed, the aggrieved party:

- 16.6.1 may at any time exercise any right that became exercisable directly or indirectly as a result of the breach unless the aggrieved party expressly elects in writing not to exercise that right or to relinquish that right, or the aggrieved party by its clear and unambiguous conduct (amounting to more than mere delay) elects not to exercise that right;
- 16.6.2 may accept the late performance of the party in breach, which acceptance shall be provisional only and shall not prevent the aggrieved party from exercising at any time their rights arising out of that breach; and

- 16.6.3 shall not be prevented (stopped) from exercising their rights arising out of that breach, despite the fact that they may have elected or agreed on one or more previous occasions not to exercise their rights arising out of any similar breach or breaches.

16.7 Cession and delegation

Except as provided for elsewhere in this Deed, a party may not cede and/or assign any or all of their rights or delegate any or all of their obligations under this Deed.

16.8 Applicable law

This Deed is to be governed, interpreted and implemented in accordance with the laws of South Africa.

16.9 Jurisdiction of South African courts

The parties consent to the non-exclusive jurisdiction of the Gauteng North Division of the High Court of South Africa for any proceedings arising out of or in connection with this agreement.

16.10 Costs

Any costs, including all legal costs on an attorney-and-own-client basis and VAT, incurred by a party arising out of or in connection with a breach by another party shall be borne by the party in breach.

16.11 Independent advice

Each of the parties hereby respectively agrees and acknowledges that:

- 16.11.1 they have been free to secure independent legal advice as to the nature and effect of each provision of this Deed and they have either taken such independent legal advice or have dispensed with the necessity of doing so; and
- 16.11.2 each provision of this Deed is fair and reasonable in all the circumstances and is part of the overall intention of the parties in connection with this Deed.

16.12 Good faith

The parties shall at all times act in good faith towards each other and shall not bring any of the other parties into disrepute.

17. Compliance with Anti-Corruption Laws

The parties shall, when performing their obligations under this Agreement, comply with all applicable Anti-Corruption Laws.

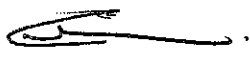
18. Co-operation

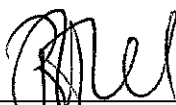
Each of the parties undertakes at all times to do all such things, perform all such acts and take all such steps, and to procure the doing of all such things, within their power and control, as may be open to them and necessary for and incidental to the putting into effect or maintenance of the terms, conditions and import of this Deed.

Signed at CENTURION

on 22nd of October 2019

Witness:



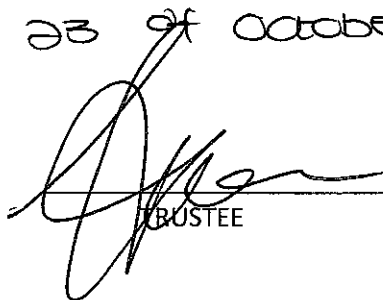

FOR AND ON BEHALF OF:
SISHEN IRON ORE COMPANY (PTY)
LIMITED

Signed at CENTURION

on 23 of October 2019

Witness:

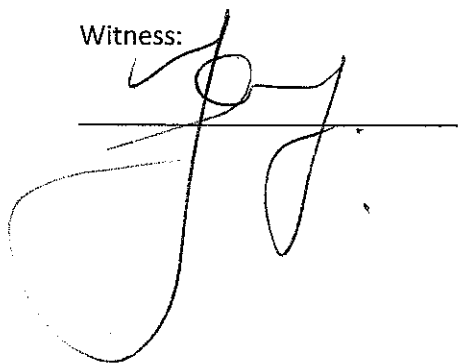



TRUSTEE

Signed at CENTURION

on 24 of October 2019

Witness:

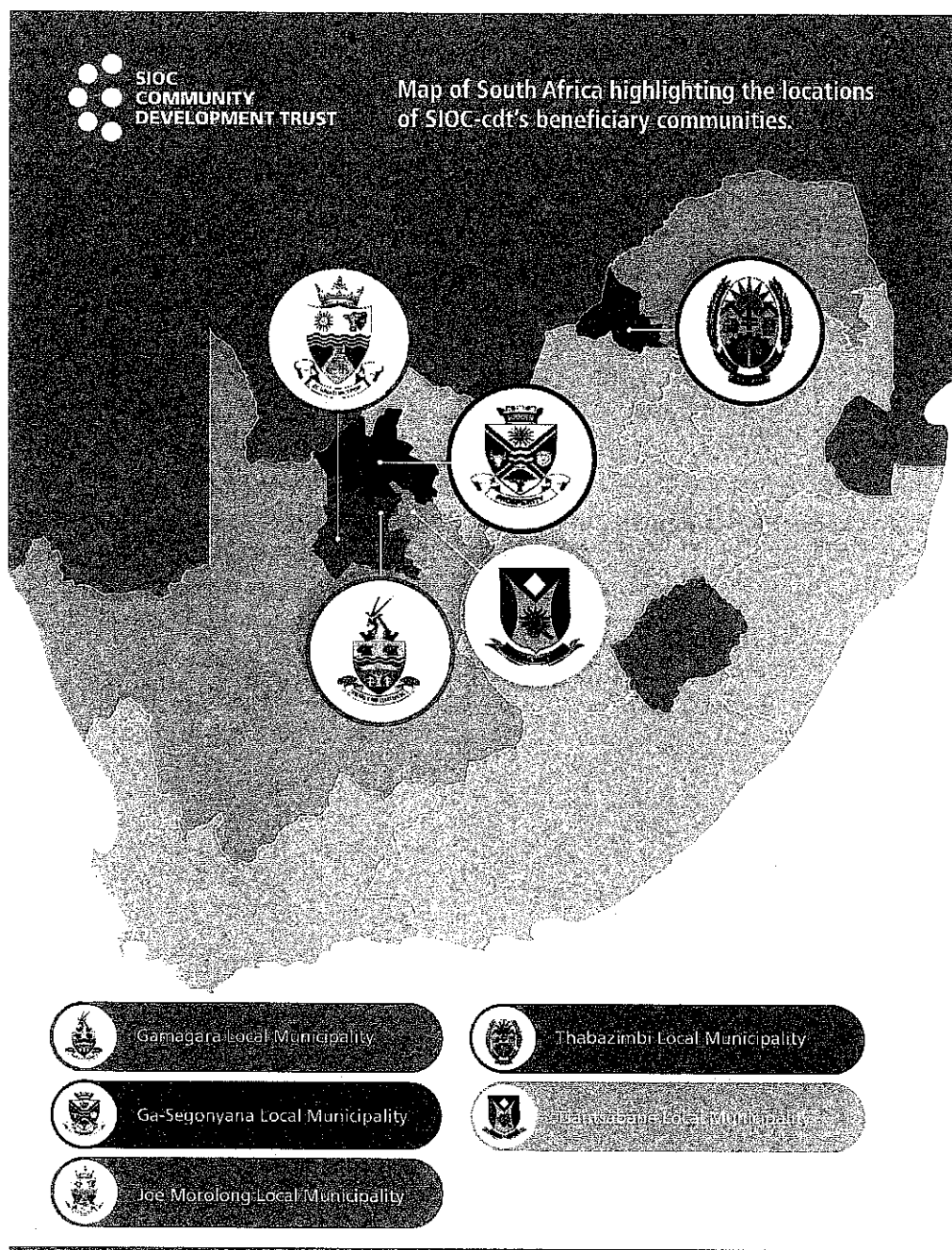



TRUSTEE

Annex "A"

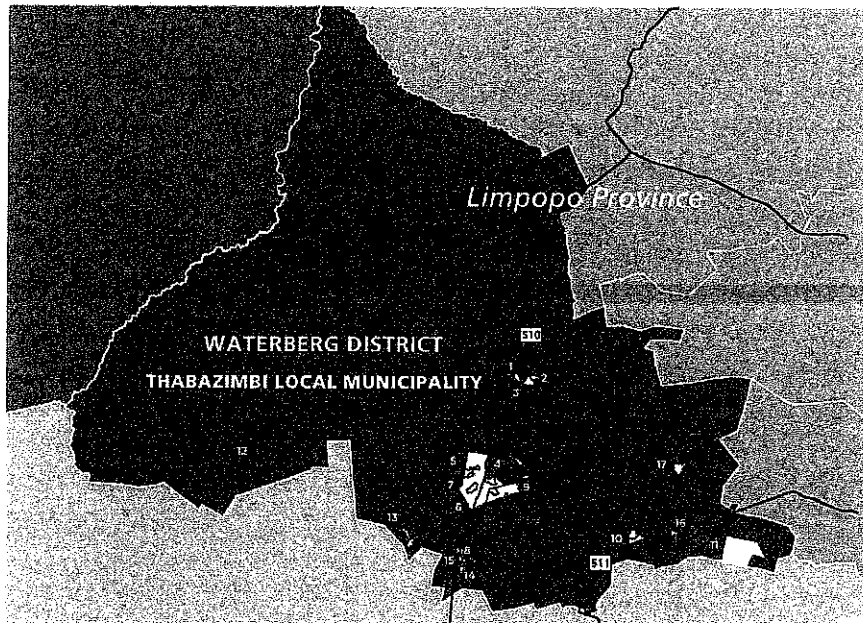
Affected Areas

Those municipalities established by the relevant provincial legislation and within whose municipal boundaries the Affected Areas (as defined) are located appear on the maps attached hereto.



Thabazimbi, South Africa

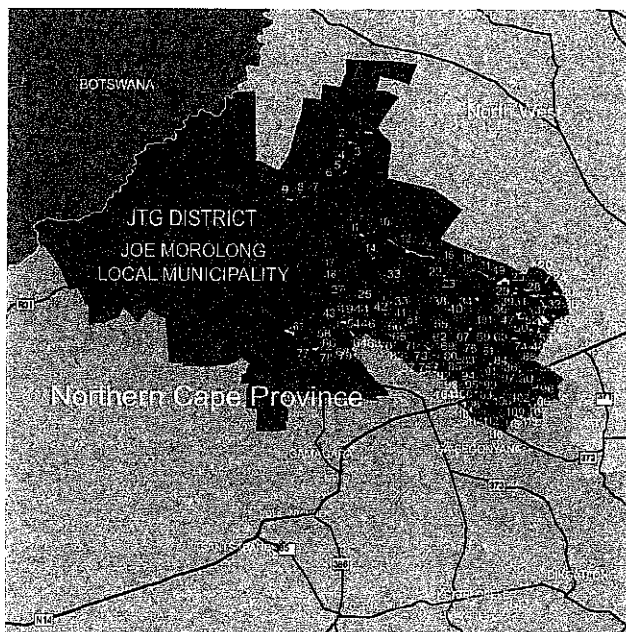
A municipal map showing districts, towns and villages



1. Rogorogile
2. Thabazimbi A
3. Ipelegong
4. Amandelbult Mine
5. Smashblock
6. Northam Platinum Mine
7. Northam
8. Majuteng
9. Setaria
10. Leeupaort
11. Sitrusvlakte
12. Dwaalboom
13. Swartklip Mine
14. Thabazimbi
15. De Put
16. Rooiberg stone Mine
17. Rooiberg Tin Mine

Joe Morolong Local Municipality, South Africa

A municipal map showing districts, towns and villages



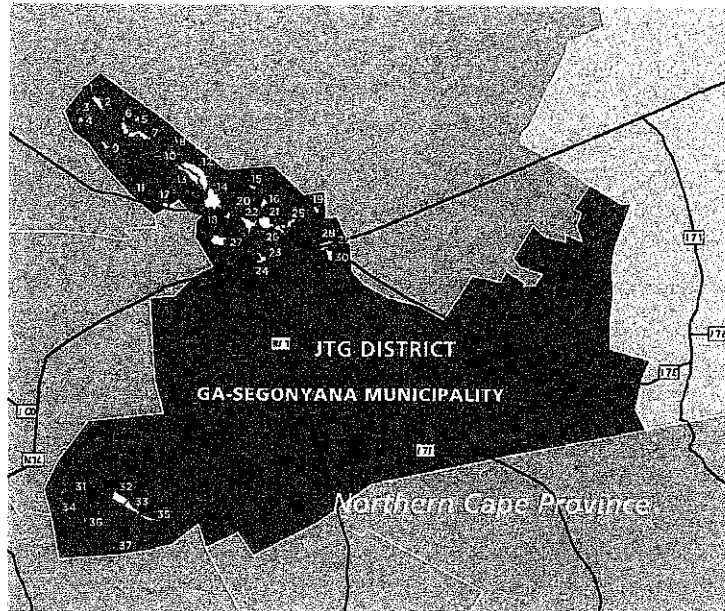
- | | | |
|--------------------|-----------------------|----------------------|
| 1. Heuningvlei | 41. Maphink | 81. Kgungu |
| 2. Tsos | 42. Mmabana | 82. Mmabana |
| 3. Tlhwana | 43. Tlhwana-Kop | 83. Makadibeng |
| 4. Baxeki | 44. Newneng | 84. Bojapontsane |
| 5. Perih | 45. Segwaneng | 85. Samuwanne |
| 6. Clyde | 46. Tlapeng | 86. Hela |
| 7. Aven | 47. Bothithong | 87. Nela |
| 8. Mdingwane | 48. Kajoje | 88. Tamaros |
| 9. Madibeng | 49. Ga-Mohele | 89. White Ladies |
| 10. Gano | 50. Motehane | 90. Klein Dumas |
| 11. Lase | 51. Ga-Diboye | 91. Klarkom |
| 12. Ca-Pitela | 52. Dithakong | 92. Everton |
| 13. Dincopeng | 53. Makalameng | 93. Ga-Mokomela |
| 14. Padstow | 54. Tsineng | 94. Metwatsaneng |
| 15. Garaphoane | 55. Nkajeneng | 95. Moalagane |
| 16. Langhirst | 56. Molomo-wa-Tetsana | 96. Bally Brits |
| 17. March | 57. Majenkeng | 97. Kangkuru |
| 18. Pennyn | 58. Ca-Rene | 98. Dithakabeleng |
| 19. Kelokilwe | 59. Deurward | 99. Makellele |
| 20. Maswehathane | 60. Cahuhwe | 100. Logaganeng |
| 21. Mashebeisana | 61. Blackrock | 101. Mharithanyaneng |
| 22. Battenwoud | 62. Kgomolote | 102. Kamden |
| 23. Deurham | 63. Ca-Lelham | 103. Washington |
| 24. Kganwane | 64. Maipeng | 104. Genghan |
| 25. Ga-Morona | 65. Hartong | 105. Tsaglangwe |
| 26. Metsemantse | 66. Gataheledi | 106. Bulhehelela |
| 27. Bosen | 67. Garamatale | 107. Kikahela |
| 28. Ca-Mabe | 68. Masunkong | 108. Ga-Muthibi |
| 29. Ditsupeng | 69. Dikolubung | 109. Nika |
| 30. Caeel | 70. Good Hope | 110. Magwagwe |
| 31. Ca-Madudu | 71. Logobala | 111. Ntwahengwe |
| 32. Lebengkeng | 72. Magojaneng | 112. Rowal |
| 33. Phomolong | 73. Ga-Moseli | 113. Mitheng |
| 34. Bendel | 74. Letihakane | 114. Manyeding |
| 35. Letihakojaneng | 75. Liperanza | 115. Mahukubung |
| 36. Mogobing | 76. Elaton | 116. Gamasapa |
| 37. Ca-Makgatie | 77. Holazel | |
| 38. Ramatela | 78. Cottenend | |
| 39. Cepopo | 79. Magobing | |
| 40. Ga-schunelo | 80. Gadikene | |

Ga-Segonyana, South Africa

A municipal map showing districts, towns and villages



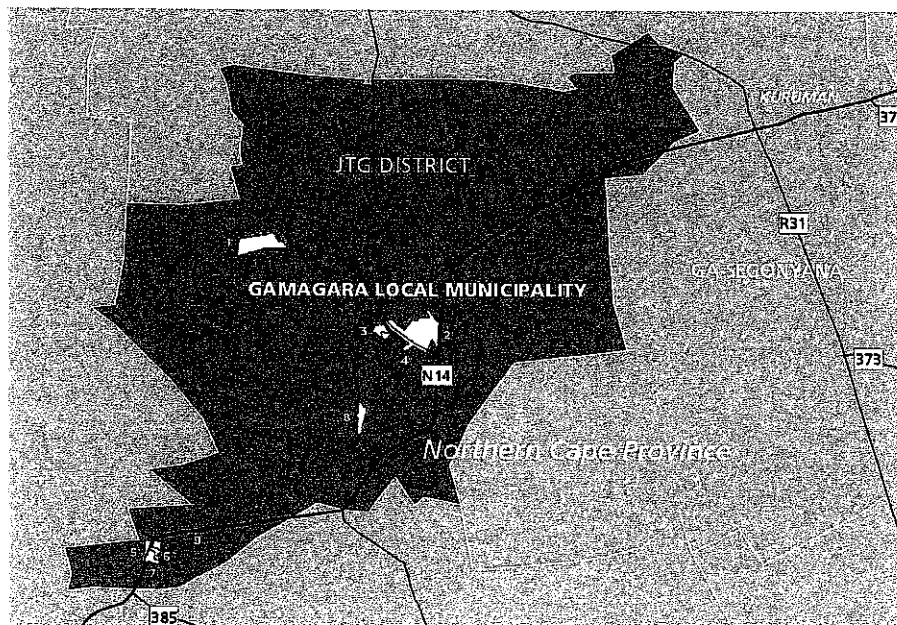
1. Geelboom
2. Sedibeng
3. Lokateng
4. Galotolo
5. Pietbos
6. Gamopedi
7. Noweng
8. Garuele
9. Galotolo
10. Gasehubane
11. Gasebalao
12. Batlharos
13. Batlharos
14. Maruping
15. Thamoyanche
16. Gantatelang
17. Vergenceg
18. Seven Miles
19. Ditshoswaneng



20. Mokalamosesane
21. Magojaneng
22. Seeding
23. Wrenchville
24. Kuruman
25. Mapoteng
26. Mothibstad
27. Bankhara-Bodulong
- 28-30. Kagung
31. Longaneng
32. Madithareng
33. Ga-Tihose
34. Sebrlong
35. Kollie
36. Ga-Motshwaedi
37. Januarieat

Gamagara Local Municipality, South Africa

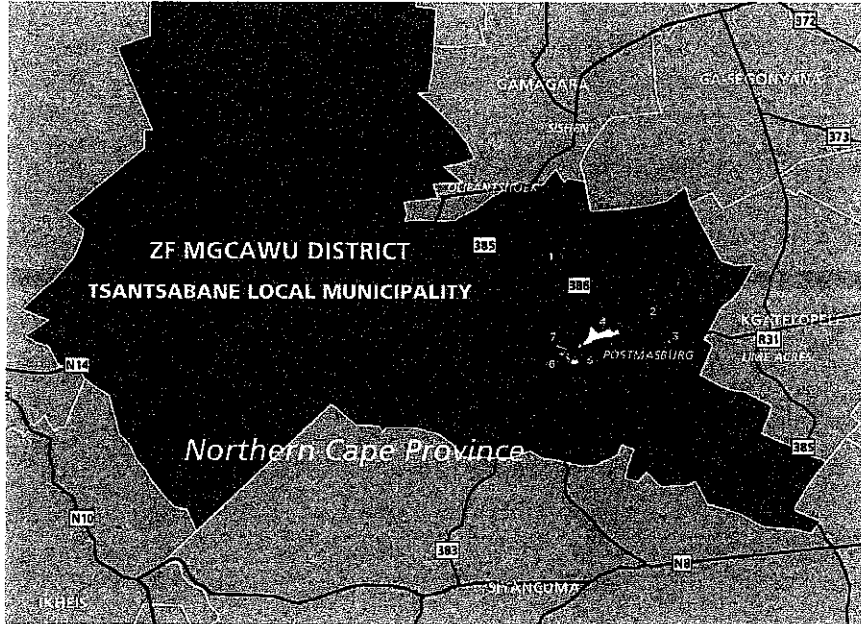
A municipal map showing districts, towns and villages



- 1 Deben
- 2 Kathu
- 3 Mapoteng
- 4 Mapoteng
- 5 Welgelee
- 6 Dittloug
- 7 Diepkloof
- 8 Dingleton (Sishen)
- 9 Olifantshoek

Tsantsabane, South Africa

A municipal map showing districts, towns and villages



1. Glosam
2. Goedgedacht
3. Groenwater
4. Postdene
5. Newtown
6. Boichoko
7. Postmansburg

Annex "B1"

Project Guidelines

The following Project Guidelines set out the principal requirements which a proposed Project must adhere to in order to qualify as a Project:

1. Project plan

1.1 Feasibility, timing and milestones

- 1.1.1 The assessment of the feasibility of the Project in accordance with the Community Development Strategy should be demonstrated.
- 1.1.2 Each milestone must be clearly identified and plotted on a timeline. As a guideline, a milestone should be a point where a significant portion of the Project in any Financial Year is completed or a 15% portion of the budget for that Financial Year has been spent. However, these milestones should be determined having regard, inter alia, to the nature, total project costs, and industry or sector norms or benchmarks for the relevant Project.
- 1.1.3 The Project duration with each milestone during Project implementation must be clearly defined with reference to the following:
 - 1.1.3.1 A definite planned date by which the Implementation of the Project up to the milestone will be completed and the final planned completion date; and
 - 1.1.3.2 The relevant benefits that will flow or accrue to the Beneficiaries of the Project at each of the milestone dates, other than in the case of building or infrastructure projects, which will be handed over for the benefit of the relevant Beneficiaries upon completion.

1.2 Technical specifications and utilisation of resources

- 1.2.1 The technical proposal, structure, capacity and monitoring for successful implementation of the Project must be determined.
- 1.2.2 All materials (building, fencing, educational, etc.), equipment (photocopiers, computers, educational equipment, etc.) or contract work (building, installation, renovation, etc.) required for the implementation of the Project should, to the extent possible, be procured from suppliers or contractors from within an Affected Area or from a preferred supplier or contractor of the Trust. Where local suppliers and contractors or suppliers or contractors from the Trust's approved list are not to be utilised, a motivation should be supplied.

1.2.3 Copies of tenders or quotations from all suppliers or contractors must be provided.

1.2.4 An indication should be provided of whether there are any other benefits to the community within an Affected Area through the utilisation, enhancement or development of local skills for the Project.

1.3 Object, benefits and impact of Project

1.3.1 The object of the Project must be in accordance with the Community Development Strategy for carrying out a Trust Benefit Activity, as set out in Annex "C", in furtherance of the Trust Object.

1.3.2 An indication should be given of who will benefit from the Project, which shall include but not be limited to the following:

1.3.2.1 Illustrate whether the majority (at least 85%) of Project Beneficiaries shall be Black People;

1.3.2.2 Illustrate whether the Project will benefit Black People from the Affected Areas;

1.3.2.3 Indicate the number of individuals that will benefit from the Project and whether such benefits will reach a broad base of people. Provide details regarding direct and indirect benefits. Where individual Black People will not benefit directly, illustrate the benefit to a Community comprising a majority of Black people;

1.3.2.4 For economic development Projects, indicate the proposed period until the Project becomes self-sustainable, with projected income, operational expenditure and stay-in-business capital projections;

1.3.2.5 For enterprise development projects, indicate key Project partners and their roles and committed contributions (monetary, business plans, guidance and training, mentoring, funding and otherwise), progress monitoring and targeted outcomes; and

1.3.2.6 Indicate the sustainability of the impact of the Project.

1.4. Budget

A detailed funding plan, including an itemised income and expenditure budget for the specific Project, should be submitted, showing:

1.4.1 the amounts required from the Trust;

1.4.2 other income from donations, subsidies and fundraising or any other sources likely to be secured for the Project; and

1.4.3 a detailed expense analysis categorising expenses into two categories:

1.4.3.1 Project costs, including all costs for materials, equipment and services necessary to implement the Project, with a separate breakdown of capital expenses, costs of services and any project management fee; and

1.4.3.2 Administration costs, including all costs to administer the Project and Opsco's service charge.

1.5. Reporting and corporate governance

1.5.1 Affirm compliance with the Trust's procurement policy and requirements, or where allowed in accordance with the policy, motivate a request to deviate.

1.5.2 Demonstrate acceptable financial accountability and control.

1.5.3 Describe the Project stakeholders and service providers and their credentials, roles and responsibilities, including responsibility for the Project once completed.

1.5.4 Provide the Project risk assessment and mitigation results.

1.5.5 Briefly outline the monitoring and evaluation framework for the Project.

1.6. Supporting information

Provide any other background, benchmarking and supporting information pertinent to the Project.

Project evaluation criteria**1.**

Project performance variable (Metric)	Meeting of expectations?
Sustainability	0
Impact	0
Relevance	0
Effectiveness	0
Efficiency	0
Average Score	0

Key**Exceptional = 5****Above expectation = 4****Meets expectation = 3****Below expectation = 2****Poor = 1****2. CRITERIA****2.1 Sustainability**

"Sustainability" measures the ability to maintain the targeted outcomes of the Project to the benefit of the Beneficiaries, e.g. teacher development programmes leading to improved pedagogical competence, content, and knowledge of teachers in classroom practice.

2.2 Impact

"Impact" measures the extent to which the Object of the Project has been met, aligned with the Community Development Strategy, e.g. increase the rate of literacy of primary school learners to at least 85% in all beneficiary communities.

2.3 Relevance

"Relevance" measures whether the Project was informed by the Community Development Strategy based on the socio-economic conditions in the Affected Area for the benefit of the relevant Beneficiaries, e.g. addressing excessive unemployment identified in beneficiary communities.

2.4 Effectiveness

"Effectiveness" measures the extent to which the outcomes for which the Project was approved have been met, e.g. achieved 100% graduation rate for bursary beneficiaries of the bursary scheme as planned.

2.5 Efficiency

2.5.1 Project plan

This criterium measures the extent to which the milestones and completion according to the project plan timeframe have been met; and the utilisation and/or development of suppliers and contractors in the Affected Areas to the extent possible and/or utilisation of the Trust's preferred suppliers and contractors.

2.5.2 Budget

This criterium measures the extent to which the Project has been completed within the approved Project budget costs at each milestone date and compares the detailed expenses analysis to the budgeted Project and administration costs categorisation.

If there is one or more negative variances of 10% or higher on any one item of a Project budget which exceed(s) 15% of the total Project budget, such variance(s) shall *prima facie* be considered to be inefficient and should be explained to the Trustees of SIOC-cdt in writing. The Trustees of SIOC-cdt, having regard to the nature of the Project may then determine a different percentage which is reasonable under the given circumstances. A revised budget is then to be presented to the Trustees of SIOC-cdt with detailed reasons for the variance for final approval by the Trustees of SIOC-cdt.

2.5.3 Reporting

Quarterly progress reports must be prepared with reference to the key milestones and budgets at the milestones; and a Project close-out report must be prepared within three months of completion of the Project, evaluating the implementation of the Project Plan against the criteria.

2.5.4 Internal control system over projects

The Internal Audit Plan must include a review of the adequacy, effectiveness and efficiency of the project approval, procurement, disbursement, monitoring and evaluation processes.

Trust Benefit Activities

1. Welfare and humanitarian

- 1.1 The care or counselling of, or the provision of educational programmes relating to, abandoned, abused, neglected, orphaned or homeless children.
- 1.2 The care and counselling of poor and needy persons where more than 90 (ninety) per cent of those persons to whom the care of counselling is provided are over the age of 60.
- 1.3 The care or counselling of, or the provision of education programmes relating to, physically or mentally abused and traumatised persons.
- 1.4 The provision of disaster relief.
- 1.5 The rescue or care of persons in distress.
- 1.6 The provision of poverty relief.
- 1.7 The rehabilitation, care or counselling of persons addicted to a dependence-forming substance or the provision of preventative and educational programmes regarding addiction to dependence-forming substances.
- 1.8 The promotion of protection of family stability.
- 1.9 The provision of facilities for the protection and care of children under school-going age of poor and needy parents, other than the services contemplated in section 12(j) of the Value-Added Tax Act.
- 1.10 Community development for poor and needy persons and antipoverty initiatives, including:
 - 1.10.1 The promotion of community-based projects relating to self-help, empowerment, capacity building, skills development or antipoverty;
 - 1.10.2 The provision of training, support or assistance to community-based projects contemplated in item (2.1); and

- 1.10.3 The provision of training, support or assistance to emerging micro-enterprises to improve their capacity to start and manage businesses, which may include the granting of loans on such conditions as may be prescribed by the Minister by way of regulation.

2 Health care

- 2.1 The provision of health care services to poor and needy persons.
- 2.2 The care for or counselling of terminally ill persons or persons with a severe physical or mental disability, and the counselling of their families in this regard.
- 2.3 The prevention of HIV infection and the provision of preventative and educational programmes relating to HIV/AIDS.
- 2.4 The care, counselling or treatment of persons afflicted with HIV/AIDS, including the care or counselling of their families and dependents in this regard.
- 2.5 The provision of primary health care education, sex education or family planning.

3. Education and development

- 3.1 The provision of education by a "school" as defined in the South African Schools Act, 1996 (Act No. 84 of 1996).
- 3.2 The provision of "higher education" by a "higher education institution" as defined in terms of the Higher Education Act, 1997 (Act No. 101 of 1997).
- 3.3 "Adult basic education and training", as defined in the Adult Basic Education and Training Act, 2000 (Act No. 52 of 2000), including literacy and numeracy education.
- 3.4 "Further education and training", provided by a "public further education and training institution" as defined in the Further Education and Training Act, 1998 (Act No. 98 of 1998).
- 3.5 Training for unemployed persons with the purpose of enabling them to obtain employment.
- 3.6 The training and education of persons with a severe physical or mental disability.
- 3.7 The provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged in subparagraph 3.2.
- 3.8 The provision of educare or early childhood development services for preschool children.
- 3.9 The training of persons employed in the national, provincial and local spheres of government for purposes of capacity building in those spheres of government.

- 3.10 The provision of school buildings, infrastructure, sport fields or equipment for public schools and educational institutions engaged in public benefit activities contemplated in subparagraphs 3.1 to 3.8.
- 3.11 Career guidance and counselling services provided to persons for purposes of attending any school or higher education institution as envisaged in subparagraphs 3.1 and 3.2.
- 3.12 Programmes addressing needs in education provision, learning, teaching, training, sport development and participation, curriculum support, governance, whole school development, and safety and security at schools, preschools or educational institutions as envisaged in subparagraphs 3.1 to 3.8.
- 3.13 Educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
- 3.14 The provision of scholarships, bursaries and awards for study, research and teaching on such conditions as may be prescribed by the Minister by way of regulation in the Gazette.

4. Enterprise development

- 4.1. The development of sustainable business enterprises for the benefit of the communities within an Affected Area, including:
 - 4.1.1. Promoting skills development among the youth to enable the establishment of businesses and reduce unemployment. This includes enabling infrastructure such as business and incubation hubs and related skills centres;
 - 4.1.2. Promoting access to markets for black-owned small, medium and micro-enterprises (SMMEs), including programmes that attract local supplier development and incubation in the beneficiary communities; and
 - 4.1.3. Promoting access to funding by SMMEs to enable them to take advantage of opportunities presented to participate in the local economy.

5. Land and housing

- 5.1. The development, construction, upgrading, conversion or procurement of housing units for the benefit of persons whose monthly household income is equal to or less than R15 000 or any greater amount determined by the Minister of Finance by notice in the Gazette after consultation with the Minister of Housing.
- 5.2. The development, servicing, upgrading or procurement of stands, or the provision of building materials, for purposes of the activities contemplated in subparagraph 5.1.
- 5.3. The provision of residential care for retired persons, where

- 5.3.1. more than 90 per cent of the persons to whom the residential care is provided are over the age of 60 and nursing services are provided by the organisation carrying on such activity; and
- 5.3.2. residential care for retired persons who are poor and needy is actively provided by that organisation without full recovery of cost.
- 5.4. Building and equipping of
 - 5.4.1. clinics or crèches; or
 - 5.4.2. community centres, sport facilities or other facilities of a similar nature, for the benefit of the poor and needy.
- 5.5. The promotion, facilitation and support of access to land and use of land, housing and infrastructural development for promoting official land reform programmes.
- 5.6. The granting of loans for purposes of subparagraph 5.1 or 5.2, and the provision of security or guarantees in respect of such loans, subject to such conditions as may be prescribed by the Minister by way of regulation.
- 5.7. The protection, enforcement or improvement of the rights of poor and needy tenants, labour tenants or occupiers, to use or occupy land or housing.
- 5.8. The provision of training, support or assistance to emerging farmers in order to improve their capacity to start and manage agricultural operations.

6. Excluded activities

- 6.1. There are certain fields or sectors that are not usually considered for assistance through the Trust. Some of the areas are omitted for obvious reasons while others had to be excluded either because the Trust is not structured to contribute to the sector or because budgetary and other constraints make it impossible for the Trust to make a meaningful or consistent contribution.
- 6.2. The following areas are generally not considered for support by the Fund:
 - 6.2.1. Individuals or small groups acting in their personal capacity;
 - 6.2.2. Traveling, either by groups or as individuals;
 - 6.2.3. Political parties or groups with partisan political affiliation;
 - 6.2.4. Labour unions;
 - 6.2.5. Individual bursaries/bursary funds;

- 6.2.6. Conferences, unless approved in terms of the Community Development Strategy;
- 6.2.7. Video and film production;
- 6.2.8. Cultural exhibitions or once-off cultural events, unless approved from time to time in terms of the Community Development Strategy;
- 6.2.9. Company promotions and membership subscriptions;
- 6.2.10. Religious organisations (other than community outreaches), including the construction and maintenance of places of worship;
- 6.2.11. Loans;
- 6.2.12. Overseas tours and exchanges;
- 6.2.13. Endowment trusts;
- 6.2.14. Grand projects which are beyond the capacity of the Fund to contribute to meaningfully;
- 6.2.15. Generalised school requests, especially for computers, in a context where there is no evidence of focused use and educational purpose;
- 6.2.16. Large infrastructural projects, e.g. dams, roads and water; and
- 6.2.17. Advertising in educational or other supplements.

Governance principles and procedures

Establishment of Special Purpose Trusts

- 1** In accordance with clause 10.5 of the Trust Deed and in furtherance of the Trust Object, to ensure that a broad range of Beneficiaries benefit from the Trust, the Trust shall be entitled to establish and/or fund separate trusts ("Special Purpose Trusts").
- 1.1** A Special Purpose Trust:
 - 1.1.1** may be established for the benefit of defined Beneficiaries; and/or
 - 1.1.2** may be funded by the Trust (hereinafter referred to as "SIOC-cdt").

Special Purpose Trust's objects

- 2 The Special Purpose Trust shall:**
 - 2.1** have as its sole or as one of its principal objects the carrying on of any one or more of the Trust Benefit Activities for the benefit of the relevant Beneficiaries (which objects shall be determined by the Trustees of SIOC-cdt, having regard to and taking into account the specific requirements of the community of beneficiaries concerned);
 - 2.2** as its main purpose, assist SIOC-cdt with administration, implementation, execution and reporting on projects as approved by the SIOC-cdt Board of Trustees from time to time; and
 - 2.3** have performance responsibilities which are aligned to those of Opsco.

3 Appointment of trustees of Special Purpose Trust

- 3.1 Number of trustees**
 - 3.1.1** A Special Purpose Trust shall be controlled and administered at all times by no fewer than a prescribed minimum and maximum number of trustees as prescribed in the relevant Trust Deed or as agreed to with SIOC-cdt.
 - 3.1.2** The majority of the trustees appointed to a Special Purpose Trust shall be Black People and shall be independent of, and not connected to, each other.
 - 3.1.3** If the number of trustees of a Special Purpose Trust are at any time for whatever reason fewer than the prescribed minimum, the remaining trustees of such Special Purpose Trust may take no actions other than the following:

- 3.1.3.1 The Special Purpose Trust shall immediately inform SIOC-cdt in writing that the number of trustees is fewer than the prescribed minimum, providing the identities of the then remaining trustees.
- 3.1.3.2 SIOC-cdt shall have the responsibility to maintain and preserve the trust assets of the relevant Special Purpose Trust until it has appointed at least the minimum number of trustees required in accordance with the requirements of its Trust Deed.
- 3.1.4 SIOC-cdt shall, as soon as reasonably practicable after becoming aware that there are fewer than the prescribed minimum number of trustees in a Special Purpose Trust, promptly take the required reasonable steps to ensure that at least the prescribed minimum number of trustees have been appointed to the Special Purpose Trust.
- 3.1.5 In addition to the grounds of ineligibility referred to in clause 9.5 of the Trust Deed of the SIOC-cdt (which shall with the necessary changes also apply to Special Purpose Trusts), a person shall also be ineligible to be a Trustee if he is in the service of the state, i.e.:
 - 3.1.5.1 a member of any municipal council, any provincial legislature or the National Assembly or the National Council of Provinces;
 - 3.1.5.2 an executive member of the board of directors of any municipal entity;
 - 3.1.5.3 an official of any municipality or municipal entity;
 - 3.1.5.4 an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act 1 of 1999;
 - 3.1.5.5 a member of the accounting authority of any national or provincial public entity; or
 - 3.1.5.6 an employee of Parliament or a provincial legislature.

4 Financial records and financial matters

4.1 Accounting records and reports of the Special Purpose Trust

- 4.1.1 The financial year end of any Special Purpose Trust that has been established, shall be the last day of December of each Year.
- 4.1.2 Each Special Purpose Trust shall keep and maintain, in accordance with generally accepted accounting practice in South Africa, full and accurate accounting records of the financial affairs of such Special Purpose Trust (as applicable) (and its income, expenditure, assets and liabilities) on a monthly basis.
- 4.1.3 Each Project for which payments are made to a Special Purpose Trust shall be accounted for separately by such Special Purpose Trust, on a monthly basis, to show income utilised and costs associated with the Project against the budget presented to the SIOC-cdt. The monthly management accounts shall be available for inspection by the Trustees of SIOC-cdt, or shall,

at the discretion of the Trustees of SIOC-cdt, be delivered to them within 2 (two) weeks of the end of each month.

4.2 Financial statements of the Special Purpose Trusts

4.2.1 The trustees of the Special Purpose Trusts shall ensure that an auditor is appointed at all times.

4.2.2 Within 2 (two) months of the end of each financial year of a Special Purpose Trust, its trustees shall cause its financial statements to be drawn up, which financial statements shall be audited by the auditor and shall include a statement of income and expenditure for that financial year and a balance sheet showing the assets, liabilities and financial position of the Special Purpose Trust as at the end of the financial year, in accordance with generally accepted accounting practice in South Africa.

4.3 Auditors' report

4.3.1 Each existing and future Special Purpose Trust shall ensure that it has an appointed accounting officer at all times who is responsible for such Special Purpose Trust's accounting records and the day-to-day financial management of the Special Purpose Trust.

4.3.2 Within 2 (two) months after the drawing up of the financial statements in accordance with clause 4.2.2 in respect of each financial year, the Special Purpose Trust's trustees shall arrange for a written report to be compiled by the external auditor of such Special Purpose Trust and submitted to the SIOC-cdt within 6 (six) months of the financial year-end of the relevant Special Purpose Trust together with its audited financial statements to confirm that:

4.3.2.1 the financial statements of the relevant Special Purpose Trust are consistent with its accounting records;

4.3.2.2 the accounting policies of the relevant Special Purpose Trust are appropriate and have been appropriately applied in the preparation of the financial statements;

4.3.2.3 the Special Purpose Trust has complied with the provisions of this Annex which relate to financial matters; and

4.3.2.4 all payments received by such Special Purpose Trust have been used by the Special Purpose Trust to undertake an approved Project for a Trust Benefit Activity as set out in the Trust Deed of SIOC-cdt.

4.4 Report of the trustees of a Special Purpose Trust regarding the projects

4.4.1 The trustees of each Special Purpose Trust shall, on a quarterly basis, report to the Board of Trustees of SIOC-cdt on the performance of each of the Projects, with reference to the approved budget and agreed milestones in respect of the relevant Project's timeline for completion and compliance with the Performance Criteria.

5 Performance of the Special Purpose Trust

- 5.1 The Trustees of SIOC-cdt shall from time to time and no less than once a Year review the performance of the Special Purpose Trust, which review shall be based on the Project Guidelines attached hereto as Annexures B1 and B2, as developed by management and approved by the said Trustees from time to time.
- 5.2 If, following the review of the performance of the Special Purpose Trust, the Trustees of SIOC-cdt establish that a Special Purpose Trust does not meet the project governance requirements, the said Trustees shall immediately notify the relevant Special Purpose Trust of such non-performance and give the relevant Special Purpose Trust 60 (sixty) days to remedy such non-performance. During the said 60 (sixty) day period, no further disbursements shall be made by the Trust to the Special Purpose Trust.
- 5.3 If the said Special Purpose Trust demonstrates to the Trustees of SIOC-cdt, in their sole and absolute discretion, that it has remedied the non-performance, and/or that it has met the project governance requirements within the said 60 (sixty) day period, the Trustees of SIOC-cdt may consider making further disbursements to the Special Purpose Trust.
- 5.4 If the said Special Purpose Trust does not remedy the non-performance and/or the project governance requirements within the said 60 (sixty) day period or within any extended period allowed by the Trustees of SIOC-cdt in writing, the Special Purpose Trust shall, in the sole discretion of the Trustees of SIOC-cdt, no longer be entitled to receive disbursements from the Trust.

6 Financial transactions

- 6.1 The trustees of the Special Purpose Trust shall ensure that all financial transactions of each Beneficiary shall be conducted by means of any one or more bank account(s) opened in the name of the relevant Special Purpose Trust.
- 6.2 Save as set out in the relevant agreements with SIOC-cdt, all payments by the Special Purpose Trust shall be authorised by the signature of two trustees of the relevant Special Purpose Trust, and no payments shall be made by the relevant Special Purpose Trust without the relevant supporting documentation for such payments.
- 6.3 The Special Purpose Trust shall not pay any of the following expenses without supporting documentation for such expenses and unless such expenses have been approved by a 75% majority vote of trustees of such Special Purpose Trust at a duly convened meeting of the trustees:
- 6.3.1 any costs or expenses exceeding the relevant approval threshold as agreed to between the Special Purpose Trust and SIOC-cdt; and
- 6.3.2 all payments to beneficiaries (if any) of the relevant Special Purpose Trust.

- 6.4 Reconciliations between the financial management accounts and the bank balance of the Special Purpose Trust shall be performed on a monthly basis.

7 Costs of forming and administering the Special Purpose Trust

All of the expenses, costs, disbursements and liabilities (plus VAT thereon) (which shall, for the avoidance of doubt, include but not be limited to all legal fees, bank charges, audit costs, the costs of the day-to-day running of the Special Purpose Trust, secretarial costs and the out-of-pocket expenses of the trustees) (collectively referred to as "costs") incurred in or arising out of the formation or administering of the Special Purpose Trust or any matter arising out of the Special Purpose Trust in the ordinary course of business, including any tax that is or may become payable by any of the trustees in their capacity as trustees of the relevant Special Purpose Trust, may be paid for out of the amounts received by such Special Purpose Trust, provided always that the costs have been incurred in accordance with the annual budget for such costs as agreed between the trustees and approved by SIOC-cdt.

8 Budget

- 8.1 The trustees of the Special Purpose Trust shall procure that, in addition to the business plan for each Project (which shall be presented to and be approved by the Trustees of SIOC-cdt in accordance with the SIOC-cdt Trust Deed at least 3 (three) months prior to the commencement of each financial year of the relevant Special Purpose Trust), a budget of costs and expenses of the Special Purpose Trust for the relevant financial year is prepared and agreed between the trustees of the relevant Special Purpose Trust by a two-thirds (or as near as possible to two-thirds) majority vote, and presented to the SIOC-cdt for prior approval.
- 8.2 If during the course of a financial year of a Special Purpose Trust it becomes clear to the trustees of the Special Purpose Trust that there is one or more negative variances of 10% or higher on any one item of a Project budget which exceed(s) 15% of the total Project budget, such variance(s) shall *prima facie* be considered to be inefficient and should then be explained to the Trustees of SIOC-cdt in writing. The Trustees of SIOC-cdt, having regard to the nature of the Project may then determine a different percentage which is reasonable under the given circumstances. A revised budget is then to be presented to the Trustees of SIOC-cdt with detailed reasons for the variance for final approval by the Trustees of SIOC-cdt.

9 No payments to trustees (except as reasonable compensation) of the Special Purpose Trust

- 9.1 Subject to compliance with the provisions of clause 8.1 above and (if applicable) also clause 8.2 (should the circumstances described in clause 8.2 arise during the course of a particular financial year), the Special Purpose Trust is entitled to pay to its trustees, in consideration of accepting office and fulfilling their fiduciary and other duties in their capacity as trustees, such reasonable remuneration (as defined in the Fourth Schedule of the Income Tax Act) as determined by the Trustees from time to time, as well as all reasonable and necessary accountable out-of-pocket expenses incurred by a trustee on behalf of the Special Purpose Trust; provided however that in respect of the payment of remuneration, no portion of the Special Purpose Trust's trust fund shall at any time be paid to any of the trustees of the

Special Purpose Trust (acting in whatever capacity), except as reasonable remuneration (as defined in the Fourth Schedule to the Income Tax Act):

- 9.1.1 which is not excessive having regard to what is generally considered reasonable in the relevant sector and in relation to the services rendered and has not and will not economically benefit any such trustee in any manner which is not consistent with the trust object of the Special Purpose Trust; and
- 9.1.2 which is paid in terms of a written service or employment agreement in terms of which the trustee concerned is required to render services solely in relation to furthering the trust object of the Special Purpose Trust and which agreement –
 - 9.1.2.1 has been concluded at arm's length;
 - 9.1.2.2 has been approved in writing by not less than 60% (sixty per cent) of disinterested trustees of the Special Purpose Trust;
 - 9.1.2.3 has been approved in writing by the Donor; and
 - 9.1.2.4 has been approved as part of the Special Purpose Trust's Project budget in terms of clause 8 of this Annex "D".

10 No excessive remuneration

No portion of any payment made to a Special Purpose Trust shall at any time be paid or made by way of any remuneration (as defined in the Fourth Schedule to the Income Tax Act) to any employee, office-bearer, member, trustee or other person, where it is excessive having regard to what is generally considered reasonable in the relevant sector and in relation to the services rendered, and where it has not economically benefited and will not economically benefit any person in any manner which is not consistent with the object of such Special Purpose Trust.

11 Trustee meetings

11.4. Chairperson

The trustees of a Special Purpose Trust may appoint (from their number) a chairperson to the board of trustees either for a period not exceeding one year, as they may decide, or for a specific meeting.

11.2 Annual general meetings

- 11.2.1 The trustees of a Special Purpose Trust shall approve the audited annual financial statements for the previous financial year, at a meeting of the trustees whereafter the said audited annual financial statements shall be signed off by the auditors.
- 11.2.2 Once the audited annual financial statements have been approved and signed off by the auditors, the trustees of a Special Purpose Trust shall present them, upon reasonable notice

to all trustees, at an annual general meeting of trustees which shall be held within 9 (nine) months of the end of each financial year. of the Special Purpose Trust.

- 11.2.3 The trustees of a Special Purpose Trust shall also make a copy of the approved audited annual financial statements for the previous financial year of the Special Purpose Trust available to the Trustees of the SIOC-cdt.

11.3 Other meetings

The trustees of a Special Purpose Trust shall hold such other meetings as they deem fit and upon such notice as may be reasonable in the circumstances, provided that the trustees shall meet at least 4 (four) times in each financial year.

11.4 Convening of meetings

Any trustee of a Special Purpose Trust may at any time convene a meeting of the trustees on reasonable notice to the other trustees and at a venue reasonably accessible by the trustees.

11.5 Notice of meetings

The notice convening a meeting of trustees of a Special Purpose Trust shall specify the business to be dealt with at the meeting and, if possible, shall be accompanied by the minutes of the previous meeting.

11.6 Agenda

- 11.6.1 The notice convening a trustee meeting of a Special Purpose Trust shall include an agenda stating the matters to be dealt with at the meeting in sufficient detail to enable the trustees to prepare adequately for the meeting.

- 11.6.2 The contents of the notice and agenda shall be prepared by and be the responsibility of the Chairperson or the trustee convening the meeting.

- 11.6.3 Any trustee may at any time require that any matter be included on the agenda for a meeting.

11.7 Time and venue

Trustee meetings of a Special Purpose Trust shall be held at a reasonable time and venue. In the ordinary course of business, trustee meetings shall be held at the principal place of business of the relevant Special Purpose Trust or at such other venue as the trustees may from time to time by majority resolution agree to.

11.8 Quorum for meetings

- 11.8.1 A quorum at any trustee meeting of a Special Purpose Trust shall be the majority of trustees, the majority of whom, to constitute a valid quorum, shall be Black People, present at the commencement and for the duration of the meeting.

- 11.8.2 If no quorum is present at any trustee meeting within 30 (thirty) minutes from the specified time, the meeting shall be adjourned to a date no fewer than 7 (seven) days later, at the same time and venue, or if that date is not a Business Day, then to the next succeeding Business Day. If at such adjourned meeting a quorum is not present within 30 (thirty) minutes from the time of commencement of that meeting, the trustees present shall be deemed to constitute a quorum.
- 11.8.3 Any trustee who participates (such that the trustee can hear all the proceedings at the meeting and can be clearly heard at that meeting) at the commencement and for the duration of a meeting by way of a telephone conference call or by way of a video conference or other audio, audiovisual or electronic means shall be deemed to be present at the meeting and counted towards the quorum.
- 11.8.4 Any trustee who cannot for good reason attend any trustee meeting may by notice in writing to the relevant Special Purpose Trust, signed by the trustee (a fax signed by/email from the trustee shall suffice for purposes thereof), appoint another trustee of such Special Purpose Trust to represent him/her at any particular trustee meetings. Such trustee shall be deemed to be present at the meeting (through his/her representative).

11.9 Failure of the trustees to meet

In the event that the trustees of a Special Purpose Trust fail to hold a meeting of trustees in any Year, SIOC-cdt shall be entitled to remove and replace some or all of the trustees, provided that such removals and replacements shall at all times be made in accordance with the principles set out in clause 3 above and shall not result in any prejudice to the Beneficiaries and/or the Trust Object.

11.10 Trustees' personal financial interest in the Special Purpose Trust of which he is a trustee

- 11.10.1 A trustee of the Special Purpose Trust may at any time disclose any personal financial interest (as defined in clause 11.10.2 below) in advance in writing to the remaining trustees of the Special Purpose Trust if he becomes aware of such personal financial interest which he or a relative (as referred to in clause 11.3 of the Trust Deed of the SIOC-cdt) has or may have in:
- (i) a contract to be concluded by the Special Purpose Trust or the SIOC-cdt;
 - (ii) a Project to be entered into by the Special Purpose Trust on behalf of or for the benefit of Beneficiaries;
 - (iii) the Special Purpose Trust of which he is a trustee; or
 - (iv) any other matter in which the disclosing trustee or relative has a personal financial interest,
 - (v) and such disclosure shall set out the nature and extent of that interest.

- 11.10.2 For purposes of clause 11.10.1 above, "personal financial interest", when used with respect to any trustee or relative, means a direct material interest of that person of a financial, monetary or economic nature, or to which a monetary value may be attributed.
- 11.10.3 If a trustee has a personal financial interest in respect of the matter to be considered at a meeting of the Board of trustees, or knows that a relative has a personal financial interest in the matter, the trustee –
- 11.10.3.1 shall disclose the interest and its general nature before the matter is considered at the meeting;
 - 11.10.3.2 shall disclose to the meeting any material information relating to the matter, and known to the trustee;
 - 11.10.3.3 may disclose any observations or pertinent insights relating to the matter if requested to do so by the other trustees;
 - 11.10.3.4 if present at the meeting, shall leave the meeting immediately after making any disclosure contemplated in clauses 11.10.3.2 or 11.10.3.3;
 - 11.10.3.5 shall not take part in the consideration of the matter, except to the extent contemplated in clauses 11.10.3.2 and 11.10.3.3;
 - 11.10.3.6 while absent from the meeting in terms of this clause 11.10.3 –
 - 11.10.3.6.1 is to be regarded as being present at the meeting for the purpose of determining whether sufficient trustees are present to constitute the meeting; and
 - 11.10.3.6.2 is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
 - 11.10.3.7 shall not execute any document on behalf of the Special Purpose Trust in relation to the matters unless specifically requested or directed to do so by the Board of trustees.
- 11.10.4 If a trustee acquires a personal financial interest in an agreement or other matter in which such Special Purpose Trust or SIOC-cdt has a material interest or knows that a relative has acquired a personal financial interest in the matter, after the agreement or other matter has been approved by the Special Purpose Trust, the trustee shall promptly disclose to its Board of trustees the nature and extent of that interest and the material circumstances relating to the trustee's or relative's acquisition of that interest.
- 11.11 **Round-robin resolutions**
- 11.11.1 A written resolution (which may consist of one or more documents in like form, each signed by trustees), signed and passed by all the trustees of a Special Purpose Trust and inserted in the minute book, shall be valid and effective in accordance with its terms as if passed at the meeting of the trustees, provided that proper notice of the written resolution was duly given to each of the trustees and provided further than any trustee, after receipt of such notice,

may, if he deems it necessary, convene a meeting of the trustees to discuss the contents of such notice.

11.11.2 Unless the contrary is stated therein, any such resolution shall be deemed to have been passed on the latest date on which it was signed by any trustee of the relevant Special Purpose Trust.

11.11.3 A fax of a trustee's signed resolution shall be acceptable evidence that such resolution has been signed by the trustee of the relevant Representative Trust whose signature appears on the fax.

11.12 Minutes

Minutes shall be:

11.12.1 kept of all trustees' meetings;

11.12.1.2 settled by the chairperson of the meeting in question and circulated to all trustees within 30 (thirty) days following the meeting;

11.12.1.3 submitted to the next meeting for approval, with or without modification; and

11.12.1.4 signed by the chairperson of that meeting confirming approval of the meeting.

11.12.2 A set of minutes, or a certified copy of the minutes, signed by the chairperson or by the trustees of the relevant Special Purpose Trust present at the meeting, shall constitute evidence of the contents of the minutes until the contrary is proven.

12 Mediation and arbitration

12.1 Separate, divisible agreement

This clause is a separate, divisible agreement from the rest of the Trust Deed of any Special Purpose Trust ("the SPT Deed") and shall not be or become void, voidable or unenforceable by reason only of any alleged misrepresentation, mistake, duress, undue influence, impossibility (initial or supervening), illegality, immorality, absence of consensus, lack of authority or other cause relating in substance to the rest of the SPT Deed and not to this clause. The parties intend that any such issue shall at all times be and remain subject to arbitration in terms of this clause.

12.2 Disputes subject to mediation and arbitration

Save as may be expressly provided for elsewhere in the SPT Deed for the resolution of particular disputes, any other dispute arising out of or in connection with the SPT Deed or the subject matter of the SPT Deed, including, without limitation, any dispute concerning:

12.2.1 the existence of the SPT Deed apart from this clause;

12.2.2 the interpretation and effect of the SPT Deed;

- 12.2.3 the parties' respective rights or obligations under the SPT Deed;
- 12.2.4 the rectification of the SPT Deed;
- 12.2.5 the breach, termination or cancellation of the SPT Deed or any matter arising out of the breach, termination or cancellation;
- 12.2.6 damages arising in delict, compensation for unjust enrichment or any other claim,

(whether or not the rest of the SPT Deed apart from this clause is valid and enforceable), shall be referred for mediation as set out in clause 12.3 below.

12.3 Mediation

If the parties to any dispute are unable to agree on a mediator or to resolve any dispute by way of mediation within 14 (fourteen) days of any party to any dispute requesting in writing that the dispute be resolved by mediation, then the dispute shall be submitted for and decided by arbitration as set out in this clause.

12.4 Appointment of arbitrator

The parties to any dispute shall agree on the arbitrator, who shall be an attorney or advocate on the panel of arbitrators of the Arbitration Foundation of Southern Africa ("AFSA"). If agreement is not reached within 10 (ten) Business Days after any party calls in writing for such agreement, the arbitrator shall be an attorney or advocate (of not less than 10 (ten) years' standing) nominated by the Registrar of AFSA for the time being.

The request to nominate an arbitrator shall be in writing, outlining the claim and any counterclaim of which the party concerned is aware and, if desired, suggesting suitable nominees for appointment as arbitrator, and a copy shall be furnished to the other parties to the dispute, who may, within 7 (seven) days, submit written comments on the request to the addressee of the request with a copy to the first party.

12.5 Venue and period for completion of arbitration

The arbitration shall be held in Pretoria and the parties to the dispute shall endeavour to ensure that it is completed within 90 (ninety) days after notice is given requiring the claim to be referred to arbitration.

12.6 Arbitration Act – rules

The arbitration shall be governed by the Arbitration Act, Act No. 42 of 1965, or any other replacement Act and shall take place in accordance with the Commercial Arbitration Rules of AFSA.

12.7 Application to court for urgent interim relief

Nothing contained in this clause 12 shall prohibit a party to the dispute from approaching any court of competent jurisdiction for urgent interim relief pending determination of the dispute by arbitration.

13 Termination of the trust

The Special Purpose Trust shall continue until dissolved by the SIOC-cdt Board of Trustees and/or in line with the relevant provisions in the trust deed of the Special Purpose Trust.

Annex "E"

Deed of adherence

We, the undersigned [insert full names] ("the trustees of the _____ Special Purpose Trust"), wish to receive funding from the SIOC Community Development Trust ("the Trust") for carrying out, supporting and/or facilitating a Project. We acknowledge and understand that, as a precondition of receiving funding from the Trust, each Special Purpose Trust is required to bind itself to certain provisions of the amended Trust Deed, dated [insert] and as amended from time to time ("the Trust Deed").

We, the trustees of the _____ Special Purpose Trust, hereby agree and undertake that with effect from the date of signature of this Deed of Adherence, we shall be bound by the provisions of the Trust Deed which are relevant to us and in particular clauses 7.9, 7.12, 7.13, and 8 of the Trust Deed, read together with Annexes "B1", "B2", "C" and "D" of the Trust Deed, and all terms thereof shall be enforceable against us by all the parties to the Trust Deed as if we had been an original party thereto.

Signed at _____ on _____ 20__

Witness:

1. _____

2. _____

For: The Special Purpose Trust

