30. DIVIDENDS

AfroCentric Investment Corporation Limited passed two resolutions whereby dividends were declared in the 2016 financial year. The first dividend was declared in September 2015 of 10 cents per share and the second dividend was declared in March 2016 of 12 cents per share, being the interim dividend. The Rand value of R55.4 million was paid in October 2015 for the first dividend and R66.5 million was paid in May 2016 for the second dividend. These dividends were debited to retained earnings in 2016.

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Dividend declared by AfroCentric Investment Corporation Limited in September 2015	**55 438**	84 214	**55 438**	84 214
Dividend declared by AfroCentric Investment Corporation Limited in March 2016	**66 525**	46 785	**66 525**	46 785
Other dividends in the Group:	**–**	–	**–**	–
Dividend declared by AfroCentric Health (Pty) Ltd in October 2015	**4 536**	5 670	**–**	–
Dividend declared by AfroCentric Health (Pty) Ltd in March 2015	**–**	4 383	**–**	–
Dividend declared and paid by Medscheme (Namibia) (Proprietary) Limited to non-controlling interests	**4 408**	3 544	**–**	–
Dividend declared and paid by Allegra (Proprietary) Limited to non-controlling interests	**578**	849	**–**	–

31. SHARE-BASED PAYMENTS

The 2008 Acquisition Agreement also contemplated an award of a minimum of 20 million AfroCentric shares to certain executives of AHL, to be awarded at the end of the warranty period 30 June 2013. During the course of that period, those executive shares already allocated, have been categorised as share-based payments in terms of IFRS 2 and the actuarially-determined "non-cash" costs were provided for in each of the company's relevant reporting periods. The Boards of AfroCentric and AHL have approved an allocation of 27 million shares, representing 7 million more shares than that which was originally stipulated in the 2008 Acquisition Agreement.

The issue of the 27 million share executive awards had no effect on the Statement of Cash Flows.

The AfroCentric Investment Corporation Limited Group, of which the AHL Group is a subsidiary, has allocated share-based awards to certain executive directors of the AHL Group as part of their remuneration package. The share awards are at an AfroCentric Investment Corporation Limited Group level. The Group measures the fair value of the share awards or equity instruments granted, in line with the Group's accounting policy.

The granting of the share awards was based on job level, merit and performance and was entirely at the discretion of executive management acting on the recommendations of the shareholders. Grants were made in November 2013 and additional allocations are made annually, as deemed necessary to both existing and new employees.

Shares will be held by AfroCentric Health Management Services (Pty) Ltd until such time that the pre-determined conditions have been achieved over the period commencing 1 November 2013 and ending 1 November 2016.

These shares awarded are additional shares allocated to the Executive directors of AHL Group depending on the rules as set out in the share awards agreement. The share price on 1 November 2013, which is grant date, was used to determine the IFRS 2 charge for 2016. The number of shares awarded i.e. 1 571 795 multiplied by the share price of R4.10 on grant date resulted in a R6.44 million charge to the Statement of Comprehensive Income. The remaining shares will be awarded up to the period 1 November 2016.

31. SHARE-BASED PAYMENTS continued

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Executive awards	**27 000**	27 000	**805**	805
Movements in number of instruments:	**–**	–	**–**	–
Outstanding at the beginning of the year	**4 916**	2 625	**471**	198
Exercised	**–**	–	**–**	–
Vested	**1 572**	2 291	**(417)**	273
Active employees	**1 572**	2 291	**(417)**	273
Outstanding at the end of the year	**6 488**	4 916	**54**	471

In 2016 there are 1 571 795 outstanding options (2015: 2 291 453 options). In 2016, no options (2015: nil) were exercised. The options exercised in 2015 resulted in 20 000 000 shares (2016: 0 shares) being issued at a weighted average price of R4.10 each. The related weighted average share price at the time of exercise was R4.10 per share.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Vesting date	Exercise price in Rands per share option	Share Options 2016
1 November 2013	1 November 2016	4.1	7 000 000

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Economic assumptions				
Total number of instruments granted	**7 000**	7 000	**–**	–
Weighted average share price	**4.10**	4.10	**–**	–
Weighted average vesting period	**3**	3	**–**	–

32. CONTINGENCIES, COMMITMENTS AND GUARANTEES

32.1 CONTINGENCIES

EXPOSURE TO ERRORS AND OMISSIONS IN ORDINARY COURSE OF BUSINESS

As for any business with similar operations, the Group is exposed to various potential claims relating to alleged errors and omissions or non-compliance with laws and regulations in the conduct of its ordinary course of business. At the date of these annual financial statements, the Group is unaware of any material claims, actual or contemplated, by any of the Group's stakeholders or customers, except for those listed below.

NEIL HARVEY & ASSOCIATES (PTY) LTD

Neil Harvey & Associates has instituted a claim against Medscheme Holdings (Proprietary) Limited and three of its employees in 2008. The allegations concern alleged copyright infringement and a breach of the Medware license agreement. The maximum capital amount of the claim as presently pleaded is R390.4 million. An amendment sought by the Plaintiff was the cause of this. The increased sum has no impact on the merits of the claim which remain the same as before. The parties are still engaged in private arbitration, however it is unlikely that the matter will be finalised during the current financial year. Medscheme Holdings (Proprietary) Limited will continue to vigorously defend the claim and is confident that there will still be no liability in this matter.