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.

32.2 COMMITMENTS

	Group	
	June 2016 R'000	June 2015 R'000
Building rentals		
Rental obligations with respect to land and buildings		
Not later than 1 year	**79 123**	68 828
Later than 1 year but not later than 5 years	**182 584**	235 008
	261 707	303 836

32.3 GUARANTEES

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Guarantees issued in respect of office rental for premises occupied by the Group	**6 072**	5 461	**–**	–
Medical aid schemes	**–**	500	**–**	–
South African Post Office	**3 800**	3 803	**–**	–
City Power Johannesburg	**500**	500	**–**	–
Rand Merchant bank	**–**	497	**–**	–
	10 372	10 761	**–**	–

33. RELATED PARTY TRANSACTIONS

33.1 DIRECTORS

Details relating to Directors' emoluments are disclosed in note 24. There are no loans to Directors.

The Directors' shareholdings are disclosed on page 9 of the Group Annual Financial Statements. Transactions within the Group are listed below.

33.2 RELATIONSHIPS WITH DIRECTORS IN THE GROUP

WAD Holdings (Pty) Ltd – Mr AV Van Buuren (Group Chief Executive Officer) and Mr W Britz (Executive Director) each hold 33.3% of WAD Holdings (Pty) Ltd.

WAD Holdings (Pty) Ltd holds A class shares in the Glen Eden Trading 58 (Pty) Ltd. The Glen Eden A class shares will be entitled to 10% of the votes at any meeting attended by WAD Holdings (Pty) Ltd or its proxy. The Glen Eden A class shares will not be entitled to any dividends or profit before 1 January 2017 and will rank *pari passu* with ordinary shares in terms of voting rights and distribution rights from 1 January 2017.

WAD Holdings (Pty) Ltd holds A class shares in Pharmacy Direct (Pty) Ltd. The Pharmacy Direct A class shares shall have no voting rights but shall have right to 100% of the distribution of the after tax profits attributable to the Department of Health contract from 1 July 2018.

WAD Holdings (Pty) Ltd holds A class shares in Curasana Wholesaler (Pty) Ltd. The Curasana Wholesaler (Pty) Ltd A class shares shall have no voting rights but shall have right to 100% of the distribution of the after tax profits available to the Department of Health contract from 1 July 2018.

WAD Holdings (Pty) Ltd is the 100% shareholder of Northern Lights Trading 172 (Pty) Ltd. Curasana Wholesaler (Pty) Ltd entered into an agreement with Northern Lights Trading 172 (Pty) Ltd on 29 February 2016 whereby Curasana Wholesaler (Pty) Ltd has purchased Portion 3 of Erf 1903, Zwartkop X15, which is the premises of the main business operations and was leased from Northern Lights Trading 172 (Pty) Ltd, for the amount of R32 000 000. The outstanding balance will bear interest at 9.25% per annum and is repayable in monthly instalments of R2 100 000 per month with a final payment of R446 312 over a period of 17 months.