

Execution Copy

ZCI HOLDINGS S.A.

VEDANTA RESOURCES PLC

KONKOLA COPPER MINES PLC

VEDANTA CALL OPTION DEED

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THIS DEED is made on 5 November 2004

BETWEEN:

- (1) **ZCI HOLDINGS S.A.**, a company registered under the laws of Luxembourg with registration number B75148 whose registered office is at 6 Rue Adolphe Fischer, L-1520 Luxembourg, Luxembourg ("**ZCI**");
- (2) **VEDANTA RESOURCES PLC**, a company incorporated in England and Wales (registered no. 04740415), whose registered office is at Hill House, 1 Little New Street, London EC4A 3TR, England ("**Vedanta**");
- (3) **KONKOLA COPPER MINES PLC**, a company incorporated in Zambia (registered no. 43628), whose registered office is at Stand M/1408 Fern Avenue, Chingola, Zambia ("**KCM**").

WHEREAS:

- (A) KCM has an authorised share capital of three hundred million and one United States dollars (US\$300,000,001) divided into twenty four billion, sixty million (24,060,000,000) Ordinary Shares of one cent (US\$0.01) each (each an "**Ordinary Share**" and together the "**Ordinary Shares**") and sixty million (60,000,000) Deferred Shares of ninety nine cents (US\$0.99) each (each a "**Deferred Share**" and together the "**Deferred Shares**") and the Special Share (together with the Ordinary Shares and the Deferred Shares the "**Shares**"). There are in issue five hundred and thirty eight million, three hundred and fifty one thousand, nine hundred and sixty two (538,351,962) Ordinary Shares, sixty million (60,000,000) Deferred Shares and the Special Share.
- (B) ZCI and ZCCM Investments Holdings plc ("**ZCCM**") are the registered owners of three hundred and twelve million, two hundred and forty four thousand and one hundred and thirty eight (312,244,138) and two hundred and twenty six million, one hundred and seven thousand, eight hundred and twenty four (226,107,824) Ordinary Shares and forty eight million (48,000,000) and twelve million (12,000,000) Deferred Shares respectively.
- (C) Vedanta, having conducted due diligence into KCM and its assets, offered to acquire a fifty one per cent. (51%) interest in KCM by the subscription of new Ordinary Shares (the "**Subscription Shares**") on the terms and conditions contained in a subscription agreement relating to KCM dated 19 August 2004 (the "**Subscription Agreement**") and will subscribe for such interest in KCM through its wholly-owned subsidiary, Vedanta Resources Holdings Limited ("**VRHL**").
- (D) KCM's board of directors, having duly considered the offer and having consulted with the boards of directors of its respective shareholders (and GRZ), has accepted Vedanta's offer on the terms and conditions contained in the Subscription Agreement.

- (E) Following completion of the subscription of the Subscription Shares in accordance with the terms of the Subscription Agreement, there will be in issue one billion, ninety eight million, six hundred and seventy seven thousand, four hundred and seventy three (1,098,677,473) Ordinary Shares, sixty million (60,000,000) Deferred Shares and the Special Share. VRHL will be the registered owner of five hundred and sixty million, three hundred and twenty five thousand, five hundred and eleven (560,325,511) Ordinary Shares comprising fifty one per cent. (51%) of the issued Ordinary Shares. ZCI and ZCCM will respectively remain the registered holders of three hundred and twelve million, two hundred and forty four thousand and one hundred and thirty eight (312,244,138) and two hundred and twenty six million, one hundred and seven thousand eight hundred and twenty four (226,107,824) Ordinary Shares and forty eight million (48,000,000) and twelve million (12,000,000) Deferred Shares comprising forty nine per cent. (49%) and one hundred per cent. (100%) of the Ordinary Shares and Deferred Shares respectively.
- (F) The Parties, ZCCM, VRHL and GRZ have entered into a shareholders' agreement relating to the future management of KCM (the "**Shareholders' Agreement**").
- (G) VRHL has agreed that ZCI and ZCCM may call for the transfer to them of all the issued Ordinary Shares in KCM held by VRHL pursuant to a call option deed dated the date of this Deed between ZCI, ZCCM, Vedanta, VRHL and KCM (the "**ZCI / ZCCM Call Option Deed**").
- (H) ZCI has agreed that Vedanta may call for the transfer to it of all the issued Ordinary Shares and Deferred Shares held by ZCI in the circumstances set out herein.

THIS DEED WITNESSES as follows:

1. INTERPRETATION

- 1.1 In this Deed all terms and expressions which have defined meanings in the Subscription Agreement or the Shareholders' Agreement shall have the same meanings in this Deed except where expressly stated otherwise. In addition, in this Deed the following expressions have the following meanings:

"Affiliate, Affiliated Party, or Affiliated Parties" means, in relation to any Party:

- (a) any person in which such Party holds fifty per cent. (50%) or more of the ordinary voting shares or which holds fifty per cent. (50%) or more of such Party's ordinary shares;
- (b) any person which, directly or indirectly, is controlled by or Controls, or is under Common Control with such Party; or
- (c) any person or group of persons being directors or executive officers of, or in the employment of, any person referred to in (a) or (b) above;

and **"Control"** means:

- (d) the power (whether directly or indirectly) and whether by the ownership of share capital, the possession of voting power, contract or otherwise to appoint and/or remove all or such of the board of directors or other governing body of a person as are able to cast a majority of the votes capable of being cast by the members of that board or body, or otherwise to control or have power to control the policies and affairs of that person; and/or
- (e) the holding and/or the ownership of the beneficial interest in and/or the ability to exercise the voting rights applicable to shares or other securities in any person which confer in aggregate on the holders whether directly or by means of holding such interest in one or more other persons (either directly or indirectly) more than fifty per cent. (50%) of the voting rights exercisable at general meetings of that person,

and "**controlled by**" shall be construed accordingly and "**Common Control**" means the circumstances whether two or more persons are controlled by the same person or its Affiliates;

"**Articles of Association**" means the articles of association to be adopted immediately prior to the subscription of the Subscription Shares and once adopted, those articles of association as amended from time to time;

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in London, Lusaka, Luxembourg and New York City;

"**Completion**" means, in respect of any transfer of Shares pursuant to this Deed, completion of such transfer;

"**Dispute**" means any dispute, disagreement, controversy, claim or difference of whatsoever nature arising under, out of, in connection with or relating (in any manner whatsoever) to this Deed including (without limitation) any dispute or difference:

- (a) concerning the initial or continuing existence of this Deed or any provision thereof;
- (b) as to whether this Deed or any provision thereof is invalid, illegal or unenforceable (whether initially or otherwise);
- (c) as to the interpretation, performance or breach of this Deed;
- (d) concerning the legal capacity of any of the Parties, or the signatories on their respective behalves to this Deed, to enter into and validly bind the Parties to the terms of this Deed or any provisions (or any part of any provision);
- (e) as to whether any compensation is payable under any provision of this Deed and as to the quantum of such compensation; or

- (f) any dispute or claim which is ancillary or connected, in each case, in any manner whatsoever, to the foregoing;

"Encumbrance" means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect (other than those arising by operation of law);

"GRZ" means the Government of the Republic of Zambia and includes any authorised agent of the Government of the Republic of Zambia;

"KCM Development Agreement" means the amended and restated agreement of even date herewith between GRZ and KCM regulating the relationship between KCM and GRZ;

"Konkola Ore Body" has the meaning given in the KCM Development Agreement;

"Konkola Ore Body Extension Project" has the meaning given to it in the KCM Development Agreement;

"Option Exercise Price" means such price as is determined pursuant to Clause 4 and Schedule 3;

"Parties" means the persons who are from time to time parties to this Deed including the original parties hereto and **"Party"** means any one of them;

"Rules" has the meaning given in Clause 10.1;

"Special Share" means the one (1) special share in the capital of KCM issued to GRZ on 31 March 2000 and which has the rights and is subject to the restrictions set out in the Articles of Association;

"US\$" and "US dollars" means the lawful currency of the United States of America;

"Vedanta Call Option" has the meaning given in Clause 2.1;

"Vedanta Call Option Shares" means all those Shares held by ZCI or its Affiliates on the Vedanta Exercise Date;

"Vedanta Exercise Date" has the meaning given in Clause 2.2.2;

"Vedanta Exercise Notice" has the meaning given in Clause 2.2;

"Vedanta Option Exercise Period" means the period commencing on the earlier to occur of:

- (a) the date of approval by GRZ of an application by KCM (or, if later, the date on which the board of directors of KCM unconditionally resolves) to proceed

with the Konkola Ore Body Extension Project (in either case as referred to in the definition thereof); and

- (b) the date immediately succeeding the last day of the four consecutive calendar quarters during which in each such calendar quarter ore is extracted from the Konkola Ore Body at a rate of three million tons (3,000,000) per annum or more,

provided that prior to such date ZCI has not exercised the ZCI Primary Call Option and ZCCM has not exercised the ZCCM Primary Call Option, and, in either case, terminating on the earlier to occur of:

- (c) the date falling twenty-four (24) months thereafter;
- (d) the date on which either ZCI exercises the ZCI Primary Call Option or ZCCM exercises the ZCCM Primary Call Option; or
- (e) in the case only of paragraph (a) above, the date of any material amendment to or of the cessation or abandonment of the Konkola Ore Body Extension Project other than in accordance with the provisions of the Shareholders' Agreement;

"ZCCM Primary Call Option" has the meaning given in the ZCI / ZCCM Call Option Deed; and

"ZCI Primary Call Option" has the meaning given in the ZCI / ZCCM Call Option Deed.

1.2 In this Deed, a reference to:

- 1.2.1 a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time before the date of this Deed and any subordinate legislation made under the statutory provision before the date of this Deed;
- 1.2.2 a person includes a reference to a body corporate, association or partnership;
- 1.2.3 a person includes a reference to that person's legal personal representatives, successors and permitted assigns; and
- 1.2.4 a Clause or Schedule, unless expressly stated otherwise, is a reference to a clause of or schedule to this Deed.

1.3 The headings in this Deed do not affect its interpretation.

1.4 Words importing the singular include the plural and vice versa.

2. **VEDANTA CALL OPTION**

2.1 Subject to Clause 2.2 and Clause 3, ZCI hereby grants to Vedanta a call option (the "**Vedanta Call Option**") to require ZCI to transfer to Vedanta, VRHL or another Vedanta Affiliate by way of sale, all of the Vedanta Call Option Shares at the Option Exercise Price at any time during the Vedanta Option Exercise Period.

2.2 Vedanta may exercise the Vedanta Call Option at any time during the Vedanta Option Exercise Period by the delivery of a written notice to ZCI substantially in the form of Schedule 1 (the "**Vedanta Exercise Notice**"). Following delivery of the Vedanta Exercise Notice:

2.2.1 the Option Exercise Price shall be determined pursuant to Clause 4 and Schedule 3;

2.2.2 ZCI shall transfer the Vedanta Call Option Shares to Vedanta (or if directed by Vedanta, to VRHL or another Vedanta Affiliate) on the Business Day specified in the Vedanta Exercise Notice (the "**Vedanta Exercise Date**"), provided that the Business Day so specified is not earlier than thirty (30) days after the date on which the Vedanta Exercise Notice is delivered;

2.2.3 Vedanta shall pay the Option Exercise Price to such account as ZCI directs at least five (5) Business Days prior to the Vedanta Exercise Date; and

2.2.4 ZCI and KCM shall do all those things respectively required of them in Schedule 2.

3. **GENERAL MATTERS**

3.1 Any transfer of the Vedanta Call Option Shares to Vedanta (or if directed by Vedanta, to VRHL or another Vedanta Affiliate) pursuant to this Deed shall be made free of any and all Encumbrances (including without limitation any Encumbrances granted pursuant to the Shareholders' Agreement) save as set out in this Deed.

3.2 All costs incurred in relation to the transfer of the Vedanta Call Option Shares to Vedanta (or if directed by Vedanta, to VRHL or another Vedanta Affiliate) shall be borne by Vedanta (which shall include but not be limited to property transfer tax liabilities but shall exclude the legal fees of ZCCM and ZCI).

3.3 The Parties shall waive any or all rights they have to pre-empt the transfer of the Vedanta Call Option Shares under the Shareholders' Agreement and the Articles of Association or howsoever arising.

3.4 Any transfer of the Vedanta Call Option Shares pursuant to this Deed shall be made on the terms set out in Schedule 2.

4. **OPTION EXERCISE PRICE**

4.1 The Option Exercise Price shall be determined pursuant to Clauses 4.2 to 4.3 and Schedule 3.

- 4.2 Vedanta and ZCI shall use their best endeavours to agree the Option Exercise Price within 10 Business Days of receipt by ZCI of the Vedanta Exercise Notice.
- 4.3 In the absence of agreement between Vedanta and ZCI, the Option Exercise Price shall be determined by an independent investment bank of international repute appointed:
- 4.3.1 by agreement between Vedanta and ZCI; or
 - 4.3.2 in the absence of such agreement and a subsequent appointment within a further 10 Business Days of the expiry of the 10 Business Day period referred to in Clause 4.2, by the auditors of KCM.
 - 4.3.3 Vedanta and ZCI shall use their best endeavours to procure that the independent investment bank determines the Option Exercise Price within 20 Business Days of its appointment. The costs of the independent investment bank (including those incurred in connection with its appointment) shall be borne equally between Vedanta and ZCI.
- 4.4 Notwithstanding any other provision of this Agreement, if Vedanta is unwilling to pay the Option Exercise Price so determined in accordance with Clause 4.3, it shall be entitled to withdraw any notice served by it in connection with such exercise and shall not be required to proceed with the associated purchase of Ordinary Shares, provided always that, notwithstanding Clause 4.3, it shall be required to pay the full costs of the independent investment bank.
5. **COSTS**
- 5.1 Except where this Deed provides otherwise, each Party shall pay its own costs relating to the negotiation, preparation, execution and implementation by it of this Deed and of each document referred to in it.
6. **MISCELLANEOUS**
- 6.1 A variation of this Deed is valid only if it is in writing and signed by or on behalf of each Party.
- 6.2 The failure to exercise or delay in exercising a right or remedy provided by this Deed or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Deed or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.
- 6.3 The Parties' respective rights and remedies contained in this Deed are cumulative and not exclusive of rights or remedies provided by law.
- 6.4 Except to the extent that they have been performed and except where this Deed provides otherwise, the obligations contained in this Deed remain in force after Completion.

7. **ASSIGNMENT AND NOVATION**

- 7.1 A Party may not assign or transfer or purport to assign or transfer any of its rights or obligations under this Deed without the consent of the other Parties.

8. **NOTICES**

- 8.1 A notice or other communication under or in connection with this Deed shall be in writing and shall be delivered personally or sent by first class post pre-paid recorded delivery (or air mail if overseas) or by fax, to the Party due to receive the notice or communication, as follows:

8.1.1 If to ZCI:

ZCI Holdings S.A.
C/o Maitland Luxembourg S.A.
6 Rue Adolphe Fischer
Luxembourg L-1520
Luxembourg

Attention: Steven Georgala / John Kleynhans

Fax: +352 4025 0566

8.1.2 If to Vedanta:

Vedanta Resources plc
Hill House
1 Little New Street
London EC4A 3TR
England

Attention: Matthew Hird, Company Secretary

Fax: +44 20 7629 7426

With a copy to:

Blake, Cassels & Graydon LLP
199 Bay Street
P.O. Box 25
Commerce Court West
Toronto ON
Canada M5L 1A9

Attention: John A. Kolada

Fax: +1 416 863 2653

8.1.3 If to KCM:

Konkola Copper Mines plc
Private Bag KCM (C) 2000
Stand M/1408, Fern Avenue
Chingola
Zambia

Attention: Company Secretary

Fax: +260 2 351357

8.2 In the absence of evidence of earlier receipt, a notice or other communication is deemed given:

- 8.2.1 if delivered personally, when left at the address referred to in Clause 8.1;
- 8.2.2 if sent by first class prepaid recorded delivery, ten (10) days after posting it;
- 8.2.3 if sent by air mail, six (6) days after posting it; or
- 8.2.4 if sent by fax, on completion of its transmission.

9. **AMICABLE SETTLEMENT OF DISPUTE**

9.1 A dispute shall be deemed to arise when one Party serves on another Party a notice ("**Notice of Dispute**") stating the nature of the Dispute, provided that no Notice of Dispute may be served unless the Party wishing to do so has first taken any steps or invoked any procedure available elsewhere in this Deed in connection with the Dispute and the other Party has either taken such step or invoked such procedure as may be required, or been allowed a reasonable time to take such step or invoke such procedure.

9.2 Following service of a Notice of Dispute the Parties shall attempt in good faith to settle such Dispute amicably. If the Parties agree, the International Chamber of Commerce shall be requested to nominate a mediator to assist in attempting to settle the Dispute. The provisions of Clause 10 shall not apply to any Dispute until a period of thirty (30) Business Days, or any longer period agreed between the Parties, shall have elapsed following service of a Notice of Dispute.

10. **ARBITRATION**

10.1 Subject to the provisions of Clause 9 above, the Parties hereby consent to submit any Dispute to be resolved by arbitration in accordance with the UNCITRAL Arbitration Rules (the "**Rules**") as in force and effect on the date of service of Notice of Dispute under Clause 8 above, save as modified by the provisions of this Clause 10. The tribunal shall consist of a sole arbitrator (the "**Tribunal**") and the appointing authority shall be the Secretary General of the Permanent Court of Arbitration at the Hague. The place of arbitration shall be Amsterdam and the language of the arbitration shall be English.

10.2 The Tribunal shall be instructed time is of the essence in proceeding with its determination on any Dispute, and unless otherwise agreed by the Parties, the decision of the Tribunal shall be rendered within thirty (30) days of the conclusion of the final hearing of the Dispute. The decision of the Tribunal shall be in writing and reasons for the decision shall be given.

10.3 An award in proceedings under the Rules shall be final and binding on the Parties and judgement thereon may be entered in any court having jurisdiction for the purpose of enforcing the award. The Parties undertake to keep strictly confidential the content of the Arbitral Proceedings and any arbitral award made in such proceedings.

10.4 Where a Dispute has been referred for settlement by arbitration in accordance with the Rules, then the Parties shall not be entitled to exercise any rights or election arising in consequence of any alleged default by a Party arising out of the subject matter of the Dispute until the relevant part of the Dispute has been resolved by an award of the Tribunal.

11. PERFORMANCE TO CONTINUE

11.1 Unless the Deed has already been repudiated or terminated, the Parties shall continue to observe and perform all the obligations contained in, and may exercise their rights under, this Deed notwithstanding the reference of any Dispute to arbitration. No Party shall be entitled to exercise any rights or election arising in consequence of any alleged default by the other arising out of the subject matter of the Dispute until the Dispute has been resolved by arbitration or by agreement of the Parties as the case may be.

12. GOVERNING LAW

12.1 This Deed shall be governed by and construed in accordance with the laws of England and Wales.

13. ENTIRE AGREEMENT

13.1 This Deed and any document referred to in this Deed constitute the entire agreement, and supersede any previous agreements, between the Parties relating to the subject matter of this Deed.

13.2 If a provision of the Deed is inconsistent with a provision of the Articles of Association, this Agreement prevails.

14. COUNTERPARTS

14.1 This Deed may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document.

15. DELIVERY

15.1 This Deed is delivered on the date written at the start of the Deed.

EXECUTED by the Parties as a deed
EXECUTED and **DELIVERED** as a
DEED by **ZCI HOLDINGS S.A.** acting by:

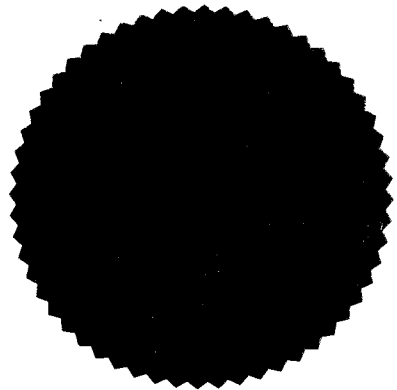
B. A. [Signature]
[Signature]

EXECUTED and **DELIVERED** as a
DEED by **VEDANTA RESOURCES PLC**
acting by:

[Signature] *[Signature]*

THE COMMON SEAL OF KONKOLA
COPPER MINES PLC was hereunto
affixed in the presence of:

[Signature]
[Signature]



SCHEDULE 1
THE VEDANTA EXERCISE NOTICE

To: Steven Georgala / John Kleynhans
ZCI Holdings S.A.
C/o Maitland Luxembourg S.A.
6 Rue Adolphe Fischer
Luxembourg L-1520
Luxembourg

cc: Company Secretary
Konkola Copper Mines plc
Private Bag KCM (C) 2000
Stand M/1408, Fern Avenue
Chingola
Zambia

From: Vedanta Resources plc
Hill House
1 Little New Street
London EC4A 3TR
England

Dated [•]

Dear Sirs

In accordance with clause 2.2 of the Vedanta Call Option Deed dated 5 November 2004 (the "Deed") made between you, us, Vedanta Resources plc and Konkola Copper Mines plc we hereby exercise the Vedanta Call Option granted to us pursuant to clause 2.1 of the Deed.

In accordance with clause 2.2 of the Deed and in consideration of us paying the Option Exercise Price (to be calculated in accordance with Clause 4 and Schedule 3 of the Deed) to such account as you shall direct on the Vedanta Exercise Date, we hereby require you, by [•], to transfer to [us/VRHL/other Affiliate], by way of sale, the Vedanta Call Option Shares.

Subject to Clause 4.4 of the Deed, this notice shall be irrevocable.

All words and expressions defined in the Deed shall, save where expressly stated otherwise, have the same meanings in this notice.

SCHEDULE 1
THE VEDANTA EXERCISE NOTICE

To: Steven Georgala / John Kleynhans
ZCI Holdings S.A.
C/o Maitland Luxembourg S.A.
6 Rue Adolphe Fischer
Luxembourg L-1520
Luxembourg

cc: Company Secretary
Konkola Copper Mines plc
Private Bag KCM (C) 2000
Stand M/1408, Fern Avenue
Chingola
Zambia

From: Vedanta Resources plc
Hill House
1 Little New Street
London EC4A 3TR
England

Dated [•]

Dear Sirs

In accordance with clause 2.2 of the Vedanta Call Option Deed dated 5 November 2004 (the "**Deed**") made between you, us and Konkola Copper Mines plc we hereby exercise the Vedanta Call Option granted to us pursuant to clause 2.1 of the Deed.

In accordance with clause 2.2 of the Deed and in consideration of us paying the Option Exercise Price (to be calculated in accordance with Clause 4 and Schedule 3 of the Deed) to such account as you shall direct on the Vedanta Exercise Date, we hereby require you, by [•], to transfer to [us/VRHL/other Affiliate], by way of sale, the Vedanta Call Option Shares.

Subject to Clause 4.4 of the Deed, this notice shall be irrevocable.

All words and expressions defined in the Deed shall, save where expressly stated otherwise, have the same meanings in this notice.

Yours faithfully

Vedanta Resources plc

Receipt and acceptance of this Vedanta Exercise Notice acknowledged by:

ZCI Holdings S.A.

SCHEDULE 2

REQUIREMENTS FOR TRANSFER OF VEDANTA CALL OPTION SHARES

1. On the Vedanta Exercise Date ZCI shall deliver to Vedanta or to any Affiliate to which Vedanta has directed that the Vedanta Call Option Shares be issued:
 - (a) duly executed transfer(s) in respect of the Vedanta Call Option Shares and the share certificate(s) for the Vedanta Call Option Shares;
 - (b) as evidence of the authority of each person executing a document referred to in this Schedule on ZCI's behalf:
 - (i) a copy of the minutes of a duly held meeting of the directors of ZCI (or a duly constituted committee thereof) authorising the execution of the transfers referred to in (a) above and, where such execution is authorised by a committee of the board of directors of ZCI, a copy of the minutes of a duly held meeting of the directors constituting such committee or the relevant extract thereof; or
 - (ii) a copy of the power of attorney conferring the authority,in each case certified to be true by a director or the secretary of ZCI;
 - (c) any waiver, consent, release or other document necessary to give Vedanta (or its designated Affiliate) full legal and beneficial ownership of the Vedanta Call Option Shares; and
 - (d) resignations from each director and secretary of KCM appointed by ZCI expressed to take effect from the end of the meeting held pursuant to paragraph 2.
2. ZCI and Vedanta shall ensure that at Completion a meeting of the board of directors of KCM is held at which the directors:
 - (a) vote in favour of the registration of Vedanta (or its designated Affiliate) as a member of KCM in respect of the Vedanta Call Option Shares (subject to the production of properly stamped transfers);
 - (b) appoint persons nominated by Vedanta as directors of KCM with effect from the end of the meeting;
 - (c) with effect from the end of the meeting, authorise the secretary to notify the specimen signatures of the new officers of KCM in connection with each existing mandate given by KCM for the operation of its bank accounts; and
 - (d) accept the resignations of each director and secretary so as to take effect from the end of the meeting.

SCHEDULE 3
OPTION EXERCISE PRICE

For the purposes of this Deed, the Option Exercise Price shall be determined in accordance with the following provisions:

$$\frac{ST}{ASC} \times IVC$$

Where:

- ST = the aggregate nominal value of the Vedanta Call Option Shares (excluding any Deferred Shares forming part of the Vedanta Call Option Shares);
- ASC = the aggregate nominal value of the issued ordinary share capital of KCM at the relevant time; and
- IVC = the value of KCM as a going concern (including goodwill) and as between a willing vendor and a willing purchaser at the relevant time as agreed between ZCI and Vedanta or (in default of such agreement) as determined by the independent investment bank.

Save in the context of an exercise of the Vedanta Call Option on the basis of the circumstances described in paragraph (b) of the definition of "Vedanta Option Exercise Period" having occurred, in determining IVC full account shall be taken of:

- (a) the projected benefits of the board of directors of KCM resolving to proceed with the Konkola Ore Body Extension Project; or
- (b) the detrimental or adverse effects of the board of directors of KCM either (i) not resolving or (ii) resolving not to proceed with the Konkola Ore Body Extension Project,

on the value of KCM as a going concern, but no control premium shall be included in the value of KCM.

The Option Exercise Price may be zero (0) but shall never be negative.