



## **ALLIED ELECTRONICS CORPORATION LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 1947/024583/06)

Share code: AEL ISIN: ZAE000191342

Share code: AEN ISIN: ZAE000191359

("Altron" or "the Company")

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### **NOTICE OF N SHAREHOLDER MEETING**

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**THE ATTENTION OF N SHAREHOLDERS IS DRAWN TO ANNEXURE 5 OF THE CIRCULAR TO WHICH THIS NOTICE OF N SHAREHOLDER MEETING IS ATTACHED, WHICH SETS OUT THE PROVISIONS OF SECTIONS 115 AND 164 OF THE COMPANIES ACT.**

All the terms defined in the Circular, to which this notice of N Shareholder Meeting is attached, shall bear the same meaning when used in this notice of N Shareholder Meeting.

Notice is hereby given that a general meeting of the N Shareholders will be held (subject to any adjournment, postponement or cancellation) at 10:00 in the Altron Boardroom, 5 Winchester Road, Parktown, Johannesburg on Thursday, 9 March 2017, for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions contained in this notice of N Shareholder Meeting.

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#### **Important dates to note**

**2017**

Last day to trade in order to be eligible to vote at the N Shareholder Meeting	Tuesday, 28 February
Record date in order to be eligible to attend and vote at the N Shareholder Meeting	Friday, 3 March
Forms of Proxy to be received by no later than 10:00 on	Tuesday, 7 March
N Shareholder Meeting to be held at 10:00 on	Thursday, 9 March

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#### **ATTENDANCE AND VOTING AT THE N SHAREHOLDER MEETING**

In terms of section 62(3)(e) of the Companies Act:

- An N Shareholder who is entitled to attend and vote at the N Shareholder Meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the N Shareholder Meeting in the place of the N Shareholder, by completing the Form of Proxy in accordance with the instructions set out therein; and
- A proxy need not be a Shareholder of Altron.

In terms of section 63(1) of the Companies Act:

- N Shareholders recorded in the Register on the record date in order to be eligible to attend and vote at the N Shareholder Meeting (being Friday, 3 March 2017), including N Shareholders and their proxies, are required to provide reasonably satisfactory identification before being entitled to attend or participate in or vote at the N Shareholder Meeting. Acceptable forms of identification include valid identity documents, driver's licenses and passports.

#### **VOTING BY VENTER FAMILY**

The Venter Family shall not vote on any of the special and ordinary resolutions set out herein.

#### **INTER-CONDITIONALITY OF RESOLUTIONS**

All of the special and ordinary resolutions set out in the notice of Special General Meeting and the special and ordinary resolutions set out in this notice of N Shareholder Meeting are inter-conditional, save that the aforesaid special and ordinary resolutions are not conditional on Special Resolution Numbers 10, 11 and 12 and Ordinary Resolution Number 3 set out in the notice convening the Special General Meeting and Special Resolution Number 2 contained herein being passed, but Special Resolution Numbers 10, 11 and 12 and Ordinary Resolution Number 3 set out in the notice convening the Special General Meeting and Special Resolution Number 2 contained herein are conditional on all of the aforesaid special and ordinary resolutions

being passed. Accordingly, the failure to pass any one of the said special and ordinary resolutions shall cause each of the other inter-conditional resolutions to fail, notwithstanding that the particular resolution/s may have been passed by the requisite majority of Shareholders.

### **ELECTRONIC PARTICIPATION**

In terms of section 61(10) of the Companies Act, N Shareholders or their proxies may participate in (but not vote at) the N Shareholder Meeting by way of a teleconference call and, if they wish to do so:

- must contact the Interim Company Secretary by email at [wgroenewald@altron.com](mailto:wgroenewald@altron.com) by no later than Tuesday, 7 March 2017 in order to obtain a pin and dial-in details for the teleconference call:
  - will be required to provide reasonably satisfactory identification; and
  - will be billed separately by their own telephone service providers for their telephone call to participate in the N Shareholder Meeting.

### **SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE SCHEME OF ARRANGEMENT AND REPURCHASE OF MORE THAN 5% OF ALL OF THE N SHARES IN ISSUE AS AT THE LAST PRACTICABLE DATE**

“**RESOLVED THAT** the Repurchase Scheme (as more fully described in section A of the Circular to which the notice of N Shareholder Meeting is attached) in terms of section 114 and section 48(8)(b) of the Companies Act proposed between the Company and the N Shareholders and more fully described in the Circular (of which this notice of N Shareholder Meeting forms part), be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act on the basis that if the Repurchase Scheme becomes operative, the Company will acquire all of the issued N Shares from the N Shareholders and the N Shares will subsequently be delisted and cancelled.”

In order for Special Resolution Number 1 to be passed the support of at least 75% of all of the voting rights exercised on the resolution by the N Shareholders (eligible to vote) present in person or represented by proxy at the N Shareholder Meeting, excluding an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them (as contemplated in section 115(4) of the Companies Act), is required. There are no persons which are deemed to be an acquiring party in terms of section 115(4) of the Companies Act as at the Last Practicable Date. Save as contemplated in this notice convening the N Shareholder Meeting, there are no voting exclusions on this Special Resolution Number 1.

#### **Explanatory note**

Special Resolution Number 1 is required to approve the Repurchase Scheme by the requisite percentage of voting rights pursuant to which all of the N Shares will be acquired from the N Shareholders (whether they voted in favour of this Special Resolution Number 1 or not, or abstained or refrained from voting) to facilitate the winding-up of the Company’s dual share capital structure and because the repurchase constitutes the repurchase of more than 5% of all of the N Shares in issue as at the Last Practicable Date as contemplated in section 48(8)(b) of the Companies Act. The N Shares, once acquired, will be cancelled as issued share capital and restored to the status of authorised, but unissued, share capital of the Company and will subsequently be delisted and cancelled.

### **SPECIAL RESOLUTION NUMBER 2 – REVOCATION OF THE REPURCHASE SCHEME SPECIAL RESOLUTION**

“**RESOLVED THAT**, subject to the Repurchase Scheme Special Resolution being approved and in the event, that the Restructure does not become unconditional within the time period stipulated therefor, then Special Resolution Number 1 be and is revoked retrospectively with effect from the date of the passing of this Special Resolution Number 2.”

In order for Special Resolution Number 2 to be passed the support of at least 75% of the voting rights exercised on the resolution by the N Shareholders (eligible to vote) present in person or represented by proxy at the N Shareholder Meeting, is required. Save as contemplated in this notice convening the N Shareholder Meeting, there are no other voting exclusions on this Special Resolution Number 2.

#### **Explanatory note**

Special Resolution Number 2 is required because the Repurchase Scheme will not be given effect to if the Restructure does not become unconditional within the time period stipulated therefor because all of the transaction steps forming part of the Restructure are inter-conditional.

### **ORDINARY RESOLUTION NUMBER 1 – DIRECTORS AUTHORISED TO ACT**

“**RESOLVED THAT** any one Director or the Interim Company Secretary be and are hereby authorised to do all things, take all such actions, sign all such documents (including company statutory forms) and generally do anything necessary or desirable to give effect to and to implement the special and ordinary resolution contained in this notice of N Shareholder Meeting and all such actions taken prior hereto be and hereby are ratified.”

In order for Ordinary Resolution Number 1 to be passed the support of more than 50% of all of the voting rights exercised on the resolution by the N Shareholders (eligible to vote) present in person or represented by proxy at the N Shareholder Meeting, is required. Save as contemplated in this notice convening the N Shareholder Meeting, there are no voting exclusions on this Ordinary Resolution Number 1.

#### **QUORUM**

The N Shareholder Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the N Shareholder Meeting to exercise, in aggregate, at least 51% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the N Shareholder Meeting. A matter to be decided at the N Shareholder Meeting may not begin to be considered unless sufficient persons are present at the meeting (in person or represented by proxy) to exercise, in aggregate, at least 51% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three N Shareholders personally present or represented by proxy (and if the N Shareholder is a body corporate, it must be represented) and entitled to vote at the N Shareholder Meeting on matters to be decided by N Shareholders.

#### **FORM OF PROXY**

Attached to the Form of Proxy (*grey*) is an extract of section 58 of the Companies Act, to which N Shareholders are referred.

#### **APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS**

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice is voted on, a Dissenting Shareholder may give the Company a written notice objecting to Special Resolution Number 1. Such notification must be delivered to the Interim Company Secretary by electronic mail on [wgroenewald@altron.com](mailto:wgroenewald@altron.com) or to the Company's registered office.

Any such Dissenting Shareholder must also vote against Special Resolution Number 1 at the N Shareholder Meeting.

By no later than 10 Business Days after the Special Resolution Number 1 has been adopted, the Company must send a notice to the Dissenting Shareholders that Special Resolution Number 1 has been adopted.

A Shareholder may demand that the Company pay the Shareholder the fair value for all the Shares held by that person if:

- the Shareholder has sent the Company a notice of objection in terms of section 164(3) of the Companies Act;
- Special Resolution Number 1 has been passed; and
- The Dissenting Shareholder voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in **Annexure 5** of the Circular.

By order of the Board

**WK Groenewald**

*Interim Company Secretary*

3 February 2017



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### FORM OF PROXY

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All the terms defined in the Circular, to which this Form of Proxy is attached, shall bear the same meaning when used in this Form of Proxy.

This Form of Proxy is for use only by Certificated N Shareholders or N Shareholders who have Dematerialised their Shares with "Own Name" Registration and who are unable to attend the N Shareholder Meeting to be held at 10:00 in the Altron Boardroom, 5 Winchester Road, Parktown, Johannesburg on Thursday, 9 March 2017.

Dematerialised N Shareholders are advised to contact their CSDP or Broker with their voting instructions in respect of the N Shareholder Meeting. Dematerialised Shareholders who wish to attend the N Shareholder Meeting should obtain a letter of representation from their CSDP or Broker.

An N Shareholder is entitled to appoint one or more proxies (none of whom need to be a Shareholder of the Company) to attend, participate in, speak and vote or abstain from voting in the place of that N Shareholder at the N Shareholder Meeting.

I/We

(Full name in BLOCK LETTERS)

of (address)

Telephone number

Cellphone number

email address

being the holder of  N Shares in the capital of the Company, do hereby appoint (see notes):

1.  or failing him/her,

2.  or failing him/her,

3. the Chairman of the N Shareholder Meeting

as my/our proxy to attend and speak for me/us and on my/our behalf at the N Shareholder Meeting and at any adjournment thereof and to vote or abstain from voting as indicated on the resolutions to be considered at the N Shareholder Meeting :

	For	Against	Abstain
<b>Special resolution number 1</b> – Approval of the Repurchase Scheme			
<b>Special resolution number 2</b> – Revocation of the repurchase scheme special resolution			
<b>Ordinary resolution number 1</b> – Authorisation of directors			

**Note:** Please indicate with an "X" or the number of Shares in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain in his discretion.

Every person present and entitled to vote at the N Shareholder Meeting shall, on a show of hands, have one vote for every ordinary N Share held or represented.

Please read the notes appearing on the reverse hereof.

Signed at \_\_\_\_\_ on \_\_\_\_\_

Signature/s \_\_\_\_\_

Name in block letters (full name if signing in representative capacity – see note 6)

Assisted by (where applicable) (state capacity and full name) \_\_\_\_\_

**Instructions for signing and lodging this Form of Proxy**

1. This Form of Proxy should only be used by Certificated N Shareholders or N Shareholders who have Dematerialised their Shares with "Own Name" Registration.
2. All other N Shareholders who have Dematerialised their Shares through a CSDP or Broker and wish to attend the N Shareholder Meeting, must provide the CSDP or Broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or Broker.
3. An N Shareholder may insert the name/s of one or more proxies, none of whom need be a Shareholder of the Company, in the space provided, with or without deleting "the Chairman of the N Shareholder Meeting". The person whose name appears first on the Form of Proxy and who is present at the N Shareholder Meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairman of the N Shareholder Meeting.
4. An N Shareholder's instructions on the Form of Proxy must be indicated by the insertion of an "X" or the number of Shares in the appropriate space provided. Failure to comply with the above will be deemed to authorise the Chairman of the N Shareholder Meeting, if the Chairman is the authorised proxy, to vote in favour of the resolutions at the N Shareholder Meeting, or any other proxy to vote or to abstain from voting at the N Shareholder Meeting as he/she deems fit in respect of all of the N Shareholder's votes exercisable thereat. An N Shareholder or his/her proxy is not obliged to use all the votes exercisable by the N Shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the N Shareholder or by his/her proxy.
5. In order to be effective, completed Forms of Proxy must reach the registered office of the Company or the Transfer Secretaries by 10:00 on Tuesday, 7 March 2017.
6. The completion and lodging of this Form of Proxy shall in no way preclude the N Shareholder from attending, speaking and voting in person at the N Shareholder Meeting to the exclusion of any proxy appointed in terms hereof.
7. Should this Form of Proxy not be completed and/or received in accordance with these notes, the Chairman may accept or reject it, provided that in the case of acceptance, the Chairman is satisfied as to the manner in which the N Shareholder wishes to vote.
8. Documentary evidence establishing the authority of the person signing this Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretaries or waived by the Chairman of the N Shareholder Meeting.
9. The Chairman shall be entitled to reject the authority of a person signing the Form of Proxy:
  - 9.1 under a power of attorney; or
  - 9.2 on behalf of a company,unless that person's power of attorney or authority is deposited at the registered office of the Company or the Transfer Secretaries not less than 48 hours before the meeting.
10. Where Shares are held jointly, all joint holders are required to sign the Form of Proxy.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
12. Any alteration of or correction to this Form of Proxy must be initialled by the signatory/ies.
13. On a show of hands, every N Shareholder present in person or represented by proxy shall have one vote for every N Share he/she holds or represents.
14. On a poll, every N Shareholder present in person or represented by proxy shall have 1/200th of a vote for every share held by such N Shareholder.
15. A resolution put to the vote at the N Shareholder Meeting shall be decided by way of poll.

**SUMMARY OF RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT**

In terms of section 58 of the Companies Act, 2008 (as amended) ("Act"):

1. A Shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' N Shareholder Meeting on behalf of such shareholder (section 58(1)(b));
2. a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy ("proxy instrument") (section 58(3)(b)) (but see note 16);
3. irrespective of the form of instrument used to appoint a proxy:
  - 3.1 the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder (see note 5) (section 58(4)(a));
  - 3.2 any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise (section 58(4)(b)); and

- 3.3 if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
4. a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the Company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (section 58(7)) (see note 3);
  5. the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 1.3.3 above (section 58(5));
  6. if the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Act or the Company's memorandum of incorporation to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b));
  7. if the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a Form of Proxy instrument:
    - 7.1 the invitation must be sent to every shareholder entitled to notice of the N Shareholder Meeting at which the proxy is intended to be exercised (section 58(8)(a)); and
    - 7.2 the invitation or Form of Proxy instrument supplied by the Company must:
      - 7.3 bear a reasonably prominent summary of the rights established in section 58 of the Act (section 58(8)(b)(i));
      - 7.4 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
      - 7.5 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the N Shareholder Meeting, or is to abstain from voting (section 58(8)(b)(iii));
  8. the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
  9. the proxy appointment remains valid only until the end of the N Shareholder Meeting at which it was intended to be used, subject to the above.

**Notes:**

1. Each N Shareholder is entitled to appoint one (or more) proxies (none of whom need be a Shareholder of Altron) to attend, speak and vote in place of that shareholder at the N Shareholder Meeting.
2. An N Shareholder may insert the name of a proxy or the names of two alternative proxies of the N Shareholder's choice in the space/s provided with or without deleting "the Chairman of the N Shareholder meeting" but the N Shareholder must initial any such deletion. The person whose name stands first on this Form of Proxy and who is present at the N Shareholder Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. An N Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the N Shareholder in the appropriate space provided.
4. Failure to comply with the above will be deemed to authorise and direct the Chairman of the N Shareholder Meeting, if the Chairman is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the N Shareholder Meeting as he/she deems fit, in respect of all the N Shareholder's votes exercisable at the N Shareholder Meeting.
5. Completed Forms of Proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) to be received by no later than 48 hours before the commencement of the N Shareholder Meeting (or any adjournment or postponement of the N Shareholder Meeting) or handed to the Chairman of the N Shareholder Meeting at any time before the appointed proxy/ies exercise/s any of the relevant N Shareholder's rights at the N Shareholder Meeting (or any adjournment or postponement of the N Shareholder Meeting), provided that should an N Shareholder lodge a Form of Proxy with the Transfer Secretaries at either of the above addresses less than 48 hours before the N Shareholder Meeting, such N Shareholder will also be required to furnish a copy of such Form of Proxy to the Chairman of the N Shareholder Meeting before the appointed proxy exercises any of such N Shareholder's rights at the N Shareholder Meeting (or any adjournment of the N Shareholder Meeting).
6. The completion and lodging of this Form of Proxy will not preclude the relevant N Shareholder from attending the N Shareholder Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such N Shareholder wish to do so.
7. The Chairman of the N Shareholder Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the Existing Company MoI.
8. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by Altron or the Transfer Secretaries.
10. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been registered by Altron or the Transfer Secretaries or waived by the Chairman of the N Shareholder Meeting.
11. Where Shares are held jointly, all joint holders are required to sign this Form of Proxy.
12. An N Shareholder who is a minor must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Altron or the Transfer Secretaries.

13. Dematerialised N Shareholders who do not own Shares in "Own-Name" Dematerialised form and who wish to attend the N Shareholder Meeting, or to vote by way of proxy, must contact their CSDP, Broker or nominee who will furnish them with the necessary letter of representation to attend the N Shareholder Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the N Shareholder and his/her CSDP, Broker or nominee.
14. This Form of Proxy shall be valid at any resumption of an adjourned or postponed N Shareholder Meeting to which it relates, although this Form of Proxy shall not be used at the resumption of an adjourned or postponed N Shareholder Meeting if it could not have been used at the N Shareholder Meeting from which it was adjourned or postponed for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This Form of Proxy shall, in addition to the authority conferred by the Act except insofar as it provides otherwise, be deemed to confer the power to act at the N Shareholder Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
15. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
16. Any proxy appointed pursuant to this Form of Proxy may not delegate his/her authority to act on behalf of the relevant N Shareholder.
17. In terms of section 58 of the Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the N Shareholder Meeting or any adjournment or postponement of the N Shareholder Meeting.