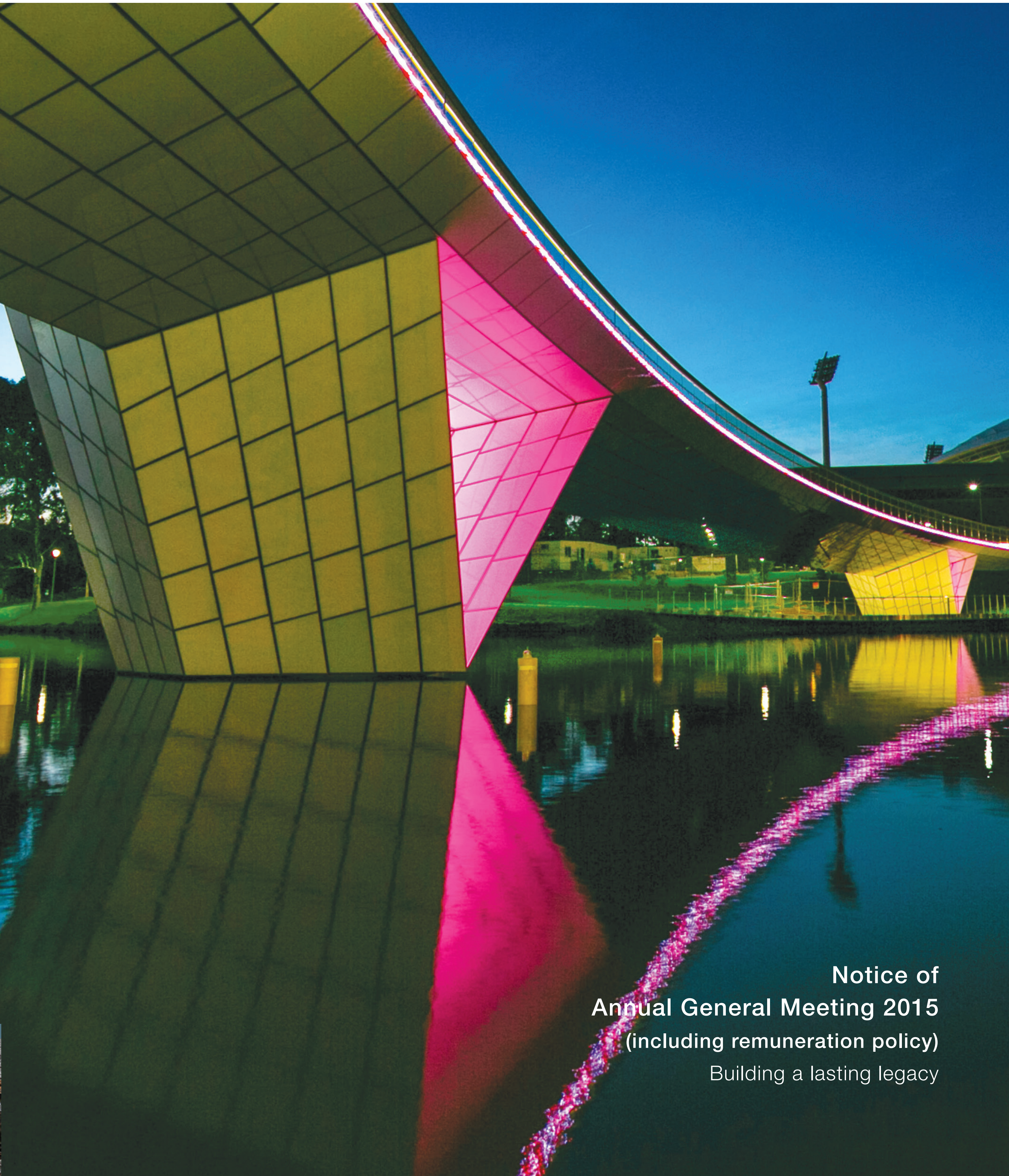
AVENG

Leaders in infrastructure



Notice of Annual General Meeting 2015

(including remuneration policy)

Building a lasting legacy

Our code of business conduct

The **law** will not be violated when conducting business for or on behalf of the Group.

Safety is paramount, never to be compromised in the pursuit of any other objective.

The Aveng Group is committed to compliance with the provisions of the **Competition Act 89 of 1998**. Any effort to manipulate the markets, in which the Group is active, including collusion with competitors, will result in disciplinary action.

The Aveng Group has a **zero-tolerance policy** on bribery and any unethical payments to clients or business associates will result in disciplinary action.

Any possible **conflict of interest** in handling group affairs will be avoided and employees will perform their duties conscientiously, honestly and in accordance with the best interests of the Group and its shareholders.

Employees will not derive **personal advantage** from their position in the Group, nor will they acquire any business interest which could divert their energy from group responsibilities. They will not participate in an activity that is potentially in conflict with group interests or which could be perceived to impair their independence. Employees will not accept gifts, hospitality, or other favours from suppliers or potential suppliers of goods or services which, in the view of their immediate line superior or colleagues would be unwise, potentially sending the wrong message to subordinates and / or placing the recipient or the Group under a perceived obligation.

Group funds, property and assets will be used only for legitimate business purposes. **Strict internal controls** and governance procedures of the highest order will be introduced and enforced to discourage fraud and safeguard the Group.

Accurate and **reliable records** will be kept which fairly reflect all business transactions in terms of statements of International Financial Reporting Standards, for the Group to properly manage its affairs and meet its legal, financial and reporting obligations. Personal and business information gained in the course of business dealings will be safeguarded and its privacy respected.

The Aveng Group will uphold its **employment equity policy** which requires that equal opportunity be offered to all employees. The individuality of each person, their right to freedom of association and to absolute privacy in this regard will be respected. Harassment of any form, including sexual harassment, will be viewed in a very serious light and appropriate disciplinary action taken.

The Aveng Group's **people** are unquestionably its most important asset. Through careful selection, ongoing development, performance-based management and fair reward, every person in our Group will be encouraged to realise their full potential. Exceptional commitment to the Group's core values of integrity, quality and entrepreneurship will be appropriately rewarded.

The Aveng Group will strive to be a **leading corporate citizen**, working with employees, their families, local communities and society at large to improve the overall quality of life and to achieve sustainable economic development at all levels.

The Aveng Group will promote policies and operating procedures that conserve resources and minimise the **environmental impact** of its business activities.

Finally, the Aveng Group, its subsidiaries and officers will seek to build an atmosphere of openness and trust through regular, timeous and courteous **communication** with all stakeholders.

Remuneration policy

Remuneration philosophy statement

Aveng is a multidisciplinary construction and engineering group, anchored in South Africa and Australia, with expertise in a number of geographies and market sectors, namely power, mining, infrastructure, commercial, industrial, and oil and gas. The Group has a broad footprint in all these market sectors and one of the core principles of its business strategy is diversification to ensure sustained growth, notwithstanding the industry cycles. The industry is known to be tough and volatile, with many challenges in delivering value to shareholders. A key component of success within the industry lies in aligning the Group's business strategy with its people strategy. Aveng recognises the importance of investing in its people and strives to ensure that the Group remains competitive in the market and retains and incentivises the key people required to deliver its business strategy. Therefore, Aveng is committed to developing and implementing effective remuneration strategies and practices to attract, retain and reward employees commensurate to performance deliverables. The strategic outcomes sought to be achieved through the remuneration philosophy and remuneration policy include rewarding superior performance and penalising poor performance, as well as aligning management's total remuneration with increased shareholder value.

The review of the incentive design was also informed by the need to align rewards to the recovery and stabilisation phase of the Aveng strategy.

By and large, the remuneration strategy and design offering remains unchanged, except for the redesign of the short term incentive (STI) and long term incentive (LTI) schemes.

Remuneration practices and remuneration governance

The remuneration and nomination committee (the committee) has been established by the board of directors of Aveng in accordance with the company's memorandum of incorporation. The terms of reference have been complied with in accordance with the remuneration and nomination committee charter (refer to governance report at http://www.aveng.co.za/group/ethics-governance/corporate-governance).

Discretion

Aveng's approach to remuneration is primarily geared towards ensuring continuous and consistent alignment of employee behaviour with stakeholder value creation. It therefore provides the committee with a reasonable degree of flexibility to review Aveng's remuneration policy in light of changes in Aveng's business strategy, trading conditions and economic climate, to ensure that the policy achieves value creation for shareholders and other stakeholders.

Therefore, Aveng's remuneration policy and incentive schemes are subject to annual review by the committee. The committee monitors the governance of all incentive schemes. Any variance or deviation from this policy can only be approved by the committee.

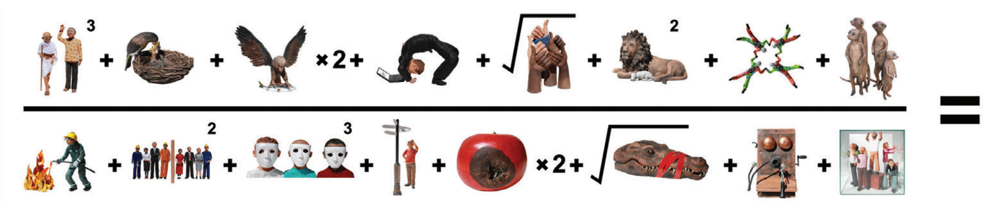
The committee will have discretion when warranted by exceptional circumstances and / or where considerable value has been created for shareholders and other stakeholders of Aveng by specific key senior executives, to award special bonuses or ex gratia payments to such individuals. In exercising this discretion, the committee members must satisfy themselves that such payments are fair and reasonable, and are disclosed to shareholders as required by remuneration governance principles.

The committee is able to reduce, remove and / or defer the STI, including the adjustment of STI payments for anomalies or unintended consequences. The committee will also have discretion to apply the clawback relating to bonus shares as part of the proposed STI structure, following recommendation by the chief executive officer, with respect to all other executives and employees. Where the issue relates directly to the CEO, the committee will apply its discretion directly.

Succession review

Aveng conducts a thorough group-wide succession review in February / March each year. This review includes:

- reviewing the top-three management levels of the Group, as well as the group support functions
- identifying succession risks and the necessary mitigation plans
- reviewing identified emergency, short, medium and longer term successors to all critical senior roles
- ensuring that the succession plans address the company's transformation objectives
- reviewing identified emerging talent and ensuring that the necessary personal development plans are implemented.



Remuneration policy continued

Remuneration structure

Aveng's remuneration structure provides for guaranteed and variable remuneration components. The guaranteed pay component comprises of employees' total fixed cost of employment (TCOE). The variable pay portion is driven by both company and individual performance and the quantum varies year to year. The different components are summarised below.

Guaranteed remuneration

Instrument	Cash plus benefits
Philosophy and business objective	Aveng's guaranteed pay philosophy is to pay at the median of the market for full competency and expected performance, while allowing for performance-based differentiation. It is designed to attract and retain talented employees in line with the scope, nature and skills requirements of the role. Aveng's pay philosophy is also designed to reward superior performance through STI and LTI schemes at a higher percentile than the median.
Policy	As a general rule guaranteed pay is benchmarked to the 50th percentile to the market, relative to skill, experience and performance. When setting and reviewing the guaranteed pay policy, various factors, including the following, are taken into account: ▪ Market pay trends, including benchmarking against the specific industries within which Aveng operates ▪ Macroeconomic factors such as inflation, market increase projections and salary movement within the market ▪ Movement in costs of particular benefits ▪ Group performance and affordability ▪ The need to ensure that executive pay is performance-based and aligned to company financial performance as well as the individual's performance relative to his / her performance objectives.

Instrument	Minimum shareholding requirement (MSR)
Philosophy and business objective	A core principle behind the design of remuneration policies and processes is the alignment of risk and reward, and the alignment of executive directors' interests with those of shareholders. The introduction of a minimum shareholding requirement will ensure that this alignment is strengthened.
Policy (implemented with effect from 1 July 2015)	▪ The MSR will require selected senior employees to build up to and thereafter maintain a minimum shareholding in Aveng. ▪ Employees may build up the shareholding from their own funds, although it is anticipated that the retention of a portion of their vested LTI awards over the course of a few years will satisfy this goal. The MSR is thus intended to encourage employees who receive shares as part of either the STI and LTI schemes to maintain a portion of the shares once the awards have vested and have been settled, to demonstrate their commitment to the creation of shareholder value, and their confidence in the business. ▪ To this end, and to present a more tax efficient option to employees who are subject to the MSR, employees will be given the opportunity to, prior to the vesting date of their awards, elect to subject the awards to a further holding period. This holding period will mean that the shares so pledged may not be sold or disposed of until: – required minimum shareholding has been achieved – termination of employment of that employee.

Instrument	Cash plus benefits
Annual remuneration review process	Guaranteed pay is reviewed annually in January. A pay increase mandate supported by salary surveys, projected salary movements, inflation, company performance and affordability, is reviewed by the committee and recommended to the Board for approval. The approved mandate is communicated and implemented by management. Individual performance as per the employee's performance contract is assessed and rated, and this together with the employee's compa ratio to the relevant market median, informs a salary increase recommendation. This process ensures internal and external parity. Following the implementation of the annual salary review, the committee reviews the implementation to establish: ■ whether the overall increases implemented remained within the approved mandate ■ the overall increase in the cost of labour as a result of this adjustment ■ that there was a sufficient link to performance in the manner in which the increases have been implemented.
Medical aid cover	The Group facilitates the provision of medical aid for employees and their families, and salaried employees are required to be members of the company-nominated medical schemes. Contributions are funded from the employees' total guaranteed pay (TGP).
Retirement contributions	These contributions ensure that employees have appropriate savings for their retirement. Employees have the option to contribute their selected contribution percentage at either 100% or 80% of TGP towards retirement savings. Provident fund contribution percentage options are 6%, 7,5%, 9%, 10,5% or 12%. This is an employer contribution and funded from the employees' TGP. Pension fund contribution percentage options are either 6% or 7,5%. This is an employee contribution and funded as a deduction from take-home pay.
Group life and insured benefits	These benefits provide insurance for employees and their dependants in the event of disability, death, critical illness, etc.

Variable remuneration

Performance link to pay

The Group's annual business plan is based on and informed by the Group's business and growth strategy. This plan informs the budget from which the key financial and non-financial performance indicators are derived. These KPIs are incorporated into the annual performance contract of the chief executive officer, who in turn cascades these KPIs into the performance contracts of the individual executive directors and managing directors. Performance against KPIs in performance contracts is assessed at least bi-annually, but in most cases quarterly, and the internal management reporting system is designed to clearly identify progress and achievement on a quarterly basis.

The Group's performance management measurement system determines the performance rating for both businesses and individuals. The individual's performance rating is used in determining both annual salary increases and the level of STIs and LTIs awarded. Capable and skilled employees who demonstrate performance at a competent level are remunerated around the market median for their role. Poor performers (with a performance rating of 1) do not receive any incentives or annual increases. We are confident of our performance management process, and believe that the linking of these components to the remuneration of our executive directors and prescribed officers encourages superior individual performance through the knowledge that good performance will be rewarded and poor performance will be penalised.

With effect from the 2016 financial year, the committee has approved a new variable pay structure which strengthens the link between pay and performance by using the performance rating in the personal performance score as a modifier to the STI payment. We will also seek to introduce bonus shares as a settlement mechanism for a portion of the STI for executive directors, prescribed officers and senior managers. These changes are discussed in more detail on pages 4 to 8.

Remuneration policy continued

Aligning risk and reward

The variable remuneration schemes align with Aveng's risk appetite and are designed to influence managers to achieve sustainable growth without taking excessive risk, encouraging the creation of long term value for our shareholders.

Variable remuneration (at risk)

Aveng has the following incentive schemes which are applicable to eligible salaried employees:

- Short term incentive (STI)
- Long term incentive (LTI).

The elements of remuneration are discussed in more detail below.

With the introduction of the proposed variable pay structure, the medium term incentive (MTI) will be discontinued. To align with best market practice, bonus shares will be introduced for executive directors and prescribed officers. This will result in an element of deferral being retained, through the deferral of a portion of the STI in bonus shares for these individuals. It will also mean that the KPIs which are considered key drivers of business performance by our shareholders, will inform a significant part of the pay of executive directors and prescribed officers, through their incorporation in the STI and consequently through the bonus shares. Clawback provisions will also be applicable to the bonus shares so awarded.

This clawback provision will be applicable at the discretion of the committee, to unvested bonus shares and to any deferred project bonuses under the following circumstances:

- In the event that a material misstatement of the financial statements of Aveng / operating group / business unit / project is detected
- In the event of subsequent poor project performance
- In the event of significant adverse legal / Competition Act findings against Aveng in which the individual had some culpability
- In the event of a disciplinary finding against the individual.

A comparison of the old versus new schemes is shown below:

<table>
<tr><th colspan="3">Old schemes (4)</th><th colspan="4">New schemes (2)</th></tr>
<tr><td>STI</td><td>Financial performance
+
Individual performance</td><td>Cash</td><td rowspan="3">STI</td><td rowspan="3">Business score
(Financial + non-financial targets)
X
Individual score</td><td>Senior / executive management</td><td>Middle management, professionals and general staff</td></tr>
<tr><td rowspan="2">MTI</td><td rowspan="2">Financial performance
+
Individual performance</td><td rowspan="2">Deferred cash</td><td>60% cash</td><td rowspan="2">100% cash</td></tr>
<tr><td>40% bonus shares</td></tr>
<tr><td rowspan="2">LTI</td><td>Company performance</td><td>Share appreciation rights plan
Forfeitable share plan (restricted to executive directors and prescribed officers)</td><td rowspan="2">LTI</td><td rowspan="2">Company performance
X
Individual performance</td><td>Performance shares</td><td>Performance shares
(Awarded on selected basis to high-performing key / critical talent)</td></tr>
<tr><td>Scheme limit
FSP – 1% of issued capital
SARS – 10% of issued capital</td><td>Individual limit
0,2% of issued capital
2,5% of issued capital</td><td>Scheme limit
LTIP – 5% of issued capital</td><td>Individual limit
1% of issued capital in unvested shares</td></tr>
</table>

In terms of the proposed STI scheme, the percentage of variable pay, depending on the role, function and responsibility of the executive director, prescribed officer or senior manager, will vary. The on-target percentages are closely aligned to market benchmarks. Aveng ensures that its pay mix reflects its culture of high performance by placing a large component of remuneration "at risk" in the form of variable pay. The pay mix has been designed to place Aveng in a competitive position to attract and retain key talent, while incentivising managers to deliver sustained value for all stakeholders.

Company financial and non-financial targets are set annually at the beginning of the financial year, based on the targets agreed by the Board. The key financial measures for the 2016 financial year are return on invested capital (ROIC) and operating free cash flow before capital expenditure. Non-financial measures are individually set in accordance with the relevant business' key priorities, e.g. safety, health and environment, transformation, achievement of key human resource targets, turnaround of poorly performing projects, recovery of claims. An individual will be partly measured on their individual performance (as agreed in terms of their performance contract at the beginning of the financial year) and partly on the performance of the team, business unit and / or operating group that they work in. Individual performance ratings are used as a modifier in determining the STI quantum.

The total bonus quantum of the STI and LTI awards to individual Aveng executives (top-three reporting levels) are approved by the committee. Similarly, any exceptions to the STI scheme rules can only be approved by the committee.

Key remuneration focus areas in 2016

1 Short term incentive (STI) design principles

In line with the review of variable remuneration, the STI has been revised. However, the design principles remain largely unchanged, with the only changes being the effect of the company score and personal score which now operate as modifiers to the suggested STI payment. In addition, as the MTI has been discontinued, an element of the STI for all executive directors, prescribed officers and other members of senior management will be deferred in the form of bonus shares, as more fully described below.

Instrument	60% paid in cash in October based on the preceding financial year results and 40% in bonus shares.
Philosophy and business objective	Rewards and incentivises achievement of individual, operating group, business unit, project and group financial performance.
Policy	Measured against specific performance metrics and subject to threshold achievement.
Duration	One year.
Eligibility	There is a portfolio of different STI plans which covers all permanent salaried employees. The plans are based on the same formulaic approach and principles, with different eligibility levels and financial performance measures.
Company score and personal score	These are discussed in more detail in the executive STI scheme below.
Method to determine award	Calculations are based on a formula on ATP (actual total package for the relevant financial year), management level and the actual result against the target.
Involuntary terminations: retirement, retrenchment or disability	Award will be discretionary and pro-rated.
Voluntary terminations	Resignation – the employee forfeits the STI award for the previous financial year if they are not in service on 25 October when the award is paid out. Dismissal – employee automatically forfeits award.
Settlement	For executive directors, prescribed officers and members of senior management, the STI should have an element of deferral. For this reason, the settlement of the executive STI for executive directors and other members of senior management including prescribed officers will be 60% in cash, and 40% in bonus shares in terms of the proposed LTIP.

Remuneration policy continued

Executive STI scheme

All executive directors and prescribed officers participate in the executive STI scheme.

The maximum bonus potential for the executive STI scheme is capped at 225% of the suggested STI (actual total pay times incentive factor). 225% would be realised if the Company achieved its maximum (stretch targets) in respect of both financial and non-financial measures, and the individual also exceeded all performance expectations against his personal KPIs. This is explained further below.

The company score may modify the suggested STI payment from 0% to 150%. The company score is determined according to performance relative to financial and non-financial measures, as set out below, along with the threshold, on-target and stretch targets and vesting profile, and the applicable weightings:

Earning potential on company score

Company score	PAT and operating free cash flow measures	Employee earning potential
Threshold	>80%	0%
On target	100%	100%
Stretch target	125%	150%

Awards will be made on a linear basis between threshold and stretch target levels.

The personal score may also modify the suggested STI payment from 0% to 150%. The personal score is determined according to the individual performance assessment rating outlined below:

Definition	Performance rating	Resulting personal score
Exceeded all expectations	5	150%
Above average – met all and exceeded some expectations	4	125%
On target – met all expectations	3	100%
Below average – met some but not all performance expectations, needs improvement	2	50%
Poor performance – failed to meet performance expectations	1	0%

Ultimately, the actual STI payment will be determined as follows:

- Actual total pay times incentive factor* times company score (0% to 150%) times personal score (0% to 150%)

** The on-target award incentive percentages of total guarantee pay are determined based on market relativity and affordability.*

In addition to the maximums outlined above, all STI schemes are subject to applicable caps and gatekeepers. For the STI schemes, these are:

- The STI payment will be limited to an overall cap of 20% of PAT for the Group
- Executives who achieve below average performance rating are not eligible for Bonus Shares.

Settlement of the executive STI for executive directors and other members of senior management, including prescribed officers will be 60% in cash, and 40% in bonus shares, with the bonus shares vesting over three years. This settlement mechanism will only be effected once the proposed LTIP has been approved by the shareholders.

Other STI schemes

In its review of the remuneration policy, the committee has, following independent advice, decided to digress from the previous "one size fits all" design to one which recognises the diversity of the various Aveng businesses and designed fit for purpose incentives to cater for the various diverse Aveng businesses.

The table below sets out the eligibility and award components of the portfolio of STI schemes which have been approved by the Board for implementation during the 2016 financial year.

Scheme	Eligibility
Executive STI scheme	■ Executive directors ■ Prescribed officers ■ Other selected senior managers
Corporate office	■ Corporate office employees
Project-based	■ Project-based managers and general staff
Production-based	■ Production-based managers and general staff
Sales-based	■ Sales-based managers and general staff
Steel sector	■ Aveng Steel managers and general staff
Mining	■ Aveng Mining managers and general staff

2	**Long term incentive (LTI) design principles**
2.1 Changes to the LTI policy in 2015	During the October 2015 AGM, we will seek shareholder approval for our new long term incentive plan (LTIP). This plan is compliant with Schedule 14 of the JSE Listings Requirements, and will provide for performance shares, retention shares and bonus shares. The LTIP will be the final step in the implementation of the new variable pay structure. Subsequent to the approval of the LTIP at the AGM, annual allocations of performance shares (with prospective performance conditions) and bonus shares, where applicable, will be made. Full details of the salient features of the LTIP, as well as the performance conditions which are proposed for the first awards made under the LTIP can be found in the notice of AGM on page 15.
2.2 Legacy plans *Share Appreciation Rights (SARs) plan*	Going forward, no further awards will be made in terms of the SAR plan, as this will be replaced by the LTIP. All awards which have already been made in terms of the SAR plan will be allowed to run their natural course in accordance with the rules of that scheme. More detail on the awards previously made under the SAR plan is contained in the integrated report on page 90.
2.3 Forfeitable share plan (FSP)	Going forward, the FSP will be replaced by the LTIP. All awards which have already been made in terms of the FSP will be allowed to run their natural course in accordance with the rules of that scheme. More detail on the previously made awards under the FSP is contained in the integrated report on page 91.

Policy on conditions of service in employment contracts and severance arrangements

Executives and prescribed officers

The termination condition of executives and prescribed officers is three months' notice.

The company's current normal retirement age is 60 years, excluding McConnell Dowell employees (for whom no retirement age is prescribed by Australian labour legislation). However, Aveng has a policy in place to extend employment of selected individuals with critical or scarce skills beyond the normal retirement age on the same terms and conditions. Such extension is at the sole discretion of Aveng.

Although this is not yet common practice in South Africa and not a requirement of the King III report, Aveng executive directors have historically retired by rotation every three years and present themselves for re-election at the Group's annual general meeting (AGM). This practice shall continue.

Remuneration policy continued

While no specific provision is made for termination bonuses, the committee is given some discretion by the various incentive scheme rules to consider in the case of terminations under exceptional circumstances.

The rules of the LTIP do not provide for automatic vesting of unvested LTI awards in the event of change of control.

Accrued MTI and future unvested bonus shares and deferred project bonuses will be forfeited upon the resignation of the employee.

Deferred remuneration is forfeited where employees are terminated based on fault termination (i.e. resignation, misconduct and underperformance).

Non-executive directors

Policy

- Non-executive directors are appointed by the shareholders at the AGM
- Where a non-executive director holds office for longer than nine years, the independence of that director will be subjected to a review by the Board and a statement to that effect will be included in the integrated report. The remuneration and nomination committee shall consider the continuation (or not) in service of any non-executive director who has reached the age of 65. Non-executive directors must retire from the Board by the age of 70. Notwithstanding this provision, non-executive directors are also subject to the retirement by rotation process as provided for in the memorandum of incorporation.

Fees

Fee structure

Non-executive director fees are paid on a retainer basis, for the Board and all committees. For the Board, there is an additional per meeting fee to be paid in instances where more than the five scheduled meetings per year are held. There is also an approved McConnell Dowell travel allowance, and a fee per hour for non-executive directors when required to attend meetings in Australia.

A composite fee is paid to overseas based non-executive directors.

Fee approval

On an annual basis, management submits to the committee a proposal for the review of non-executive director fees. This proposal includes benchmarks from a minimum of two independent non-executive director remuneration surveys, as well as extracts and benchmarking data from annual reports of at least five comparable businesses. A comparison of the current and proposed fees against the market surveys and benchmarks informs the appropriate fee recommended by management. The services of independent remuneration consultants may also be used to obtain additional independent benchmarks for non-executive directors' fees.

In light of the appointment of a UK-based non-executive director onto the Aveng board as well as two board committees, a detailed, local benchmark exercise was undertaken to determine a composite fee payable to him. In addition, a per meeting fee was also determined.

This recommended fee by the Board, is submitted at the AGM for approval by shareholders in terms of the Companies Act.

Glossary of financial terms used

Adjusted headline earnings per share (HEPS)

Headline earnings per share as defined by the relevant SAICA circular and JSE Listings Requirements adjusted with the weighted average number of shares in issue adjusted for the full dilution impact of the unsecured convertible bond.

Profit after tax (PAT)

Earnings / loss for the period as contained in the audited consolidated financial statements.

Operating free cash flow (OFCF)

As determined using IAS 7 statement of cash flows as contained in the audited consolidated financial statements.

Return on invested capital (ROIC)

ROIC = (NOPLAT plus fair value movements on financial instruments designated at fair value through other comprehensive income) divided by invested capital, where:

- NOPLAT = earnings before net finance expense less notional taxes (taxation charge per the statement of comprehensive income adjusted for the taxation impact of net finance expenses)
- Invested capital = (property, plant and equipment, plus investment property, plus goodwill and intangibles, plus all investments, plus net deferred tax plus / less amounts due from / to contract customers (non-current portion) plus current assets (including cash) less current liabilities (excluding overdrafts and short term borrowings)) less non-operating cash
  - Non-operating cash = cash and cash equivalents that exceed cash required for operating activities and amounts that are restricted from immediate use.

Notice of Annual General Meeting

Aveng Limited
(Incorporated in the Republic of South Africa) (Registration number: 1944/018119/06)
ISIN: ZAE000111829
Share code: AEG
(Aveng or Company)

Notice is hereby given to shareholders recorded in the Company's securities register on Friday, 11 September 2015 that the seventy-first Annual General Meeting (the AGM) of the shareholders of Aveng Limited will be held in the boardroom of the Company, Block A, Aveng Park, 1 Jurgens Street, Jetpark, Boksburg, on Tuesday, 27 October 2015 at 10:00 to deal with the business as set out below and to consider and, if deemed appropriate, pass the ordinary and special resolutions set out hereunder in the manner required by the Companies Act 71 of 2008 (the Act), as read with the Listings Requirements of the JSE Limited (JSE Listings Requirements), which meeting is to be participated in and voted at by shareholders as at the record date of Friday, 23 October 2015. Kindly note that in terms of section 63(1) of the Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

In terms of the provisions of the Act and the Company's memorandum of incorporation, ordinary resolutions require the approval of more than 50% of the votes cast by shareholders present or represented by proxy at the AGM while special resolutions require approval by at least 75% of such votes.

Shareholders are also referred to the explanatory notes on the resolutions as following the notice of the AGM.

Presentation of annual financial statements

The consolidated audited annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors, the audit committee and the directors for the year ended 30 June 2015 have been distributed as required and will be presented to shareholders as required in terms of section 30(3)(d) of the Act.

Report of the social, ethics and transformation committee

In accordance with Companies Regulation 43(5)(c), issued in terms of the Act, the chairman of the social, ethics and transformation committee or, in his absence, any member of the committee, will present a report to shareholders at the AGM.

Resolutions for consideration and approval

Ordinary resolution 1: Election of director

To elect, by way of a separate resolution, directors who were appointed subsequent to the previous AGM. The director eligible for election is:
– Mr Philip Hourquebie

Ordinary resolutions 2.1 to 2.4: Re-election of directors

To re-elect, by way of separate resolutions, directors who are retiring by rotation in terms of the provisions of the Company's memorandum of incorporation. The directors retiring by rotation are:
– Mr Angus Band
– Mr Michael Kilbride
– Mr Juba Mashaba
– Mr Mahomed Seedat

Ordinary resolutions 3.1 to 3.4: Appointment of audit committee

To elect, by way of separate resolutions, the following independent non-executive directors as members of the audit committee from the end of this AGM until the conclusion of the next AGM in terms of section 94(2) of the Act:
– Mr Eric Diack
– Mr Philip Hourquebie
– Ms Kholeka Mzondeki
– Mr Peter Ward

Ordinary resolution 4: Reappointment of auditors

To reappoint, on recommendation of the current audit committee, Ernst & Young Inc. as independent auditors of the Company, the auditor meeting the requirements of section 90(2) of the Act, until conclusion of the next AGM.

Ordinary resolution 5: Approval of remuneration policy

To approve, through a non-binding advisory vote, the remuneration policy of the Company as set out on pages 1 to 8 of the Notice of Annual General Meeting.

Ordinary resolution 6: Approval of the Aveng Limited Long Term Incentive Plan (LTIP)

Resolved that:
– the Aveng Limited Long Term Incentive Plan (the LTIP) be adopted, substantially in the form as set out in the rules of the LTIP which have been made available for inspection and initialled for identification purposes by the chairman of the meeting where this resolution is to be tabled, be and is hereby authorised and approved as contemplated in Schedule 14 to the JSE Listings Requirements; and
– the directors of the Company be and are hereby authorised to do all such acts as they consider necessary or expedient for the purposes of implementing the LTIP.

The principal terms of the LTIP are summarised on pages 15 to 18 attached hereto which include, *inter alia,* the ability to issue new Aveng shares or the use of treasury shares or by way of a market purchase of shares to settle obligations of

Notice of Annual General Meeting continued

the LTIP. A copy of the rules of the LTIP are available for inspection during normal business hours at the Company's registered office, Block A, Aveng Park, 1 Jurgens Street, Jetpark, Boksburg, from 21 September 2015 until 27 October 2015.

For further information, refer to the explanatory notes on page 13.

In terms of the JSE Listings Requirements, ordinary resolution number 6 is required to be passed by approval of 75% of votes cast in favour of the resolution by shareholders present or represented by proxy at the AGM.

Ordinary resolution 7: Signing authority

To authorise any one director or the secretary of the Company to do all such things and sign all such documents as are deemed necessary to implement the resolutions set out in the notice convening the AGM at which this ordinary resolution will be considered and approved at such meeting.

Special resolution 1: General authority to repurchase shares

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

"RESOLVED, by way of a special resolution, that the mandate given to the Company in terms of its memorandum of incorporation (or one of its wholly owned subsidiaries) providing authorisation, by way of a general approval, to acquire the Company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide subject to the JSE Listings Requirements, be extended, subject to the following:

- This general authority be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this resolution (whichever period is shorter)
- The repurchase being effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty
- Repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected
- An announcement being published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares, and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases
- The number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% (twenty percent) of the Company's issued share capital as at the date of passing of this special resolution or 10% (ten percent) of the Company's issued share capital in the case of an acquisition of shares in the Company by a subsidiary of the Company
- The Company and/or its subsidiaries not repurchasing securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement published on SENS prior to the commencement of the prohibited period
- At any point in time the Company only appointing one agent to effect any repurchases on its behalf
- The Board of directors passing a resolution that they authorised the repurchase and that the Company passed the solvency and liquidity test set out in section 4 of the Companies Act of 2008 and that since the test was done there have been no material changes to the financial position of the Group."

The directors, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 (twelve) months after the date of the notice of the AGM and at the actual date of the repurchase:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts
- the working capital of the Company and the Group will be adequate for ordinary business purposes
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group
- the Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes.

Special resolution 2: Non-executive directors' remuneration

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

"RESOLVED, as a special resolution:

- that the Company be and is hereby authorised to pay remuneration to its non-executive directors for their services as directors, as contemplated in section 66(8) and 66(9) of the Companies Act of 2008
- that the remuneration structure and amounts as set out below, be and are hereby approved, for implementation from the quarter commencing 1 October 2015 until such time as rescinded or amended by shareholders by way of a special resolution."

Entity	2015/16 Position	Fees (R)	Increase (%)	Fees (R)
Main board	Chairman	868 700	6	920 800
	Ad hoc meetings**	25 100	6	26 600
Subsidiary boards	Director	152 000	6	161 100
	McConnell Dowell travel allowance*	69 400	6	73 600
Remuneration and nomination committee	Chairman	192 700	6	204 300
	Member	76 600	6	81 200
Safety, health and environmental committee	Chairman	166 400	6	176 400
	Member	63 500	6	67 300
Tender risk committee*	Member*	10 000	6	10 600
Social, ethics and transformation committee	Chairman	166 400	6	176 400
	Member	63 500	6	67 300
Risk committee	Chairman	192 700	6	204 300
	Member	76 600	6	81 200
Audit committee	Chairman	254 900	6	270 200
	Member	143 500	6	152 100
	Subsidiaries	77 700	6	82 400
Investment committee	Chairman*	10 200	6	10 800
	Member*	7 700	6	8 200
Ad hoc committee meetings	Member***	16 300	6	17 300
Extraordinary services rendered****		4 000	6	4 250

* *Per meeting attended.*

** *Per meeting attended in excess of the five scheduled meetings per year.*

*** *Directors who are not members of a Board committee are sometimes requested on an ad hoc basis to attend meetings of certain committees. The proposed fee structure as set out above includes a fee payable under these circumstances. The meeting attendance fee to directors who are not members of the relevant committee will only be paid if attendance is based on a formal invitation from the committee chairman.*

*****Per hour, not exceeding eight hours per day.*

NON-RESIDENT UK-BASED NON-EXECUTIVE DIRECTOR

Fee type	Current fee	2015/16 proposed fee	2015/16 proposed % increase
Composite fee*	£50 000	£50 000	0%
Ad hoc meeting fee*	£2 500	£2 500	0%

* *Fee paid for attendance of Aveng Board meetings and attendance as a member of two Board committees.*

** *Fee paid for any additional ad hoc Board or committee meetings attended.*

Special resolution 3: Financial assistance to related and inter-related companies

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

"RESOLVED, by way of a special resolution, that the authority of the directors of the Company as previously approved by shareholders as required in terms of sections 44 and/or 45(2) of the Companies Act of 2008 and the Company's memorandum of incorporation to provide financial assistance to all related and inter-related companies within the Aveng Group of companies, at such times and on such terms and conditions as the directors in their sole discretion deem fit and subject to all relevant statutory and regulatory requirements being met, be and is hereby renewed, such authority to remain in place until rescinded by way of special resolution passed at a duly constituted AGM of the Company."

Additional information

The following additional information, some of which may appear elsewhere in the integrated report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the Company's shares set out in special resolution 1 above:

- Directors and management – pages 16 and 17
- Major shareholders – pages 92 and 93
- Directors' interests in ordinary shares – www.aveng.co.za/financials/annual_reports

Notice of Annual General Meeting continued

- Share capital of the Company – www.aveng.co.za/financials/annual_ reports
- Material change – there were no material changes in the annual financial statements
- Directors' report – www.aveng.co.za/ financials/annual_ reports.

Litigation statement

The directors in office, whose names appear on pages 16 and 17 of the integrated report, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have, or have had, in the recent past, being at least the previous 12 (twelve) months from the date of this integrated report, a material effect on the Group's financial position.

Directors' responsibility statement

The directors in office, whose names appear on pages 16 and 17 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the integrated report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year-end and the date of signature of the integrated report.

Directors' intention regarding the general authority to repurchase the Company's shares

The directors have no specific intention, at present, for the Company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the Company and its shareholders.

Electronic participation

Should any shareholder of the Company wish to participate in the AGM by way of electronic participation, such shareholder shall make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate, to the transfer secretaries at the applicable address set out below at least 5 (five) business days prior to the AGM in order for the transfer secretaries to arrange for the shareholder (or its representative) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Act and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The Company reserves the right not to provide for electronic participation at the AGM in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder so accessing the electronic participation.

Proxies and voting

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration, and who are entitled to attend, participate in and vote at the AGM, are entitled to appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder and shall be entitled to vote on a show of hands or poll. It is requested that forms of proxy be forwarded so as to reach the transfer secretaries, Computershare Investor Services (Proprietary) Limited (70 Marshall Street, Corner Sauer Street, Johannesburg; PO Box 61051, Marshalltown, 2107), by no later than 48 (forty-eight) hours before the commencement of the AGM. If shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration, and who are entitled to attend, participate in and vote at the AGM do not deliver forms of proxy to the transfer secretaries by the relevant time, such shareholders will nevertheless be entitled to lodge the form of proxy in respect of the AGM immediately prior to the AGM, in accordance with the instructions therein, with the chairman of the meeting.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, should contact their CSDP or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker to:

- furnish them with their voting instructions or
- in the event that they wish to attend the AGM, obtain the necessary letter of representation to do so.

On a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, every shareholder present in person or represented by proxy and entitled to vote, shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such shareholder bears to the aggregate amount of the nominal value of all shares issued by the Company.

Shareholders or proxies are advised that they will be required to present reasonably satisfactory identification in order to attend or participate in the AGM as required in terms of section 63(1) of the Act. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

For the purpose of resolutions proposed in terms of the JSE Listings Requirements wherein any votes are to be excluded from that resolution, any proxy given by a holder of securities to the holder of such an excluded vote shall be excluded from voting for the purposes of that resolution.

By order of the Board

Ms M Nana
Company secretary

Jetpark

21 September 2015

Explanatory notes: Annual General Meeting

Presentation of annual financial statements

At the Annual General Meeting (AGM), the directors must present the annual financial statements for the year ended 30 June 2015 to shareholders, together with the reports of the directors, the audit committee and the auditors. These are contained at www.aveng.co.za/financials/annual_reports.

Presentation of report by social, ethics and transformation committee

In terms of Regulation 43(5)(c), one of the statutory functions of a social and ethics committee constituted in terms of the Act is to report, through one of its members, to shareholders at the Company's AGM on the matters within the committee's mandate. The chairman of the social, ethics and transformation committee, or in his absence one of the members of the committee, shall provide a report to shareholders at the AGM on the statutory matters within the committee's mandate in compliance with this requirement.

Resolutions

Ordinary resolution 1: Election of director

In accordance with the Company's memorandum of incorporation, a director appointed as such following the conclusion of the previous AGM shall stand down and, if eligible and willing to do so, offer themselves for election by shareholders at the first AGM of shareholders following their appointment. Mr Philip Hourquebie, a newly appointed director, being eligible, has offered himself for election by shareholders.

The profiles of the directors up for election are contained at www.aveng.co.za/group/directors/board_of_directors.

Ordinary resolutions 2.1 to 2.4: Re-election of directors

In accordance with the Company's memorandum of incorporation, one-third of the directors are required to retire at each AGM and may, if eligible, offer themselves for re-election.

The following directors, retiring by rotation and being eligible, have offered themselves for re-election:

- Mr Angus Band
- Mr Michael Kilbride
- Mr Juba Mashaba
- Mr Mahomed Seedat.

The profiles of the directors up for re-election are contained at www.aveng.co.za/group/directors/board_of_directors.

Ordinary resolutions 3.1 to 3.4: Appointment of audit committee

In terms of section 94(2) of the Act, a public company must at each AGM elect an audit committee comprising at least three members who are directors and who meet the criteria of section 94(4) of the Act. Regulation 42 to the Act specifies that one-third of the members of the audit committee must have appropriate academic qualifications or experience in the areas as listed in the regulation.

The Board of directors of the Company is satisfied that the proposed members of the audit committee meet all relevant requirements.

Ordinary resolution 4: Reappointment of auditors

Ernst & Young Inc. external auditor of the Company, has indicated its willingness to continue in office and ordinary resolution 4, based on the recommendation of the audit committee, proposes the reappointment of that firm as the Company's auditors until conclusion of the next AGM.

Ordinary resolution 5: Approval of remuneration policy

The King Report on Corporate Governance for South Africa, 2009, recommends that the remuneration philosophy of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to provide shareholders with an opportunity to indicate should they not be in support of the material provisions of the remuneration philosophy and policy of the Company.

Ordinary resolution 6: Approval of the Aveng Limited Long Term Incentive Plan (LTIP)

In line with local and global best practice, Aveng intends to adopt a new share plan, namely the Aveng Limited Long Term Incentive Plan (LTIP) to incentivise, motivate and retain the right calibre of executives and senior management. The LTIP will be implemented in place of the existing Aveng Limited Forfeitable Share Plan and Aveng Limited Share Appreciation Rights Plan, both of which will be closed for new participants on adoption of the LTIP.

The LTIP provides participants with the opportunity to be awarded forfeitable shares in the Company so as to contribute and share in the success of the Company, and be placed in a similar position to shareholders.

The rules of the LTIP allow for flexibility in that settlement may occur in any of the following manners:

– by way of a market purchase of shares
– use of treasury shares
– issue of shares.

In the event of the usage of treasury shares or issued shares in settlement of the LTIP awards, the Company is limited to a maximum of 20 833 547 shares, which represents approximately 5% of the number of issued shares as at the date of approval of the LTIP by shareholders.

Ordinary resolution 7: Signing authority

Authority is required to do all such things and sign all documents and take all such action as necessary to implement the resolutions set out in the notice and approved at the AGM. It is proposed that the company secretary and/or directors be authorised accordingly.

Explanatory notes: Annual General Meeting continued

Special resolution 1: General authority to repurchase shares

Section 48 of the Act authorises the Board of directors of a company to approve the acquisition of its own shares subject to the provisions of section 48 and section 46 having been met. The JSE Listings Requirements require the shareholders of the Company to approve the authority to repurchase shares and the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the AGM for special resolution 1 to become effective.

Special resolution 2: Non-executive directors' remuneration

In terms of section 66(8) and section 66(9) of the Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the memorandum of incorporation and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors but as employees of the Company and as such, the resolution as included in the notice requests approval of the remuneration paid to non-executive directors for their services as directors of the Company.

Special resolution 3 – Financial assistance to related and inter-related companies

Section 45(2) of the Act authorises the Board to provide direct or indirect financial assistance to a related or inter-related company, subject to subsections (3) and (4) of section 45 of the Act and unless otherwise provided in the Company's memorandum of incorporation. In terms of section 45(3) of the Act, a special resolution of shareholders is required in these instances. The main purpose of the special resolution as set out in the notice of the meeting is to approve the granting of inter-company loans, a recognised and well-known practice, details of which are also set out in the notes to the annual financial statements.

General

Shareholders and proxies attending the AGM on behalf of shareholders are reminded that section 63(1) of the Act requires that reasonably satisfactory identification be presented in order for such shareholder or proxy to be allowed to attend or participate in the meeting.

Annexure to the Annual General Meeting

Aveng Limited Long Term Incentive Plan (LTIP)

Introduction

In line with local and global best practice, as well as its business strategy, Aveng Limited ("Aveng" or "the Company") intends to adopt a new share incentive plan, namely the Aveng Limited Long Term Incentive Plan (LTIP) to incentivise, motivate and retain the right calibre of executives and senior management.

The LTIP provides participants with the opportunity to be awarded forfeitable shares in the Company so as to incentivise performance by enabling them to share in the success of the Company, and be placed in a similar position to shareholders. Through the delivery of real shares under the LTIP, participants will become shareholders in the Company and subject to certain restrictions will have all shareholder rights (including dividends) from the settlement date, shortly after the award date, subject to vesting conditions.

The salient features of the LTIP are detailed below.

Purpose

The LTIP will be primarily used as an incentive to participants to deliver the group's business strategy over the long term. The intent of the LTIP is to incentivise, motivate and retain executives and senior management through the award of bonus shares, performance shares and retention shares (collectively referred to as forfeitable shares) as follows:

- The award of bonus shares, the value of which will be determined as a percentage of the annual short term incentive based on the Company and the individual's performance in the previous financial year, the vesting of which is subject to the employment condition ("Bonus Shares")
- The award of performance shares, the vesting of which is subject to the satisfaction of performance conditions and the employment condition in line with the Group's business strategy ("Performance Shares")
- The award of retention (restricted) shares only in specific *ad hoc* instances where the committee recognises critical / key talent instrumental in delivering the Group's business strategy, the vesting of which is subject to the satisfaction of the employment condition ("Retention Shares").

The performance condition(s) applicable to the performance shares is / are approved by the Board annually and specifically included in the performance share award letter. The employment condition is the requirement for continued employment of the participant by Aveng for the duration of a certain number of years from the date of the award.

Participants [14.1(a)]

Eligible employees will include executive directors, prescribed officers and senior management of any employer company within Aveng. Participation in the LTIP is not a condition of employment, and the remuneration and nomination committee has the absolute discretion to make an award to any employee in terms of the LTIP. Awards for all other executive directors, prescribed officers and senior management will be recommended by the CEO. In the case of the CEO, the committee will take into account input by the chairman of the Board on the performance of the CEO, as well as market benchmarks in determining if any awards should be made, and the quantum thereof.

Rights of participants [14.1(e)]

Under the LTIP, participants will become owners of the forfeitable shares from the settlement date, shortly after the award date, and will immediately benefit from dividends and have shareholder voting rights in respect of the forfeitable shares over the vesting period.

The forfeitable shares cannot be disposed of by the participant prior to the vesting date and will be subject to forfeiture and disposal restrictions until the vesting date.

Basis of awards and award levels [14.1(f)]

In line with the requirements of King III and with best practice, regular, annual awards of performance shares will be made on a consistent basis to ensure long term shareholder value creation.

The number of performance shares / retention shares awarded to a participant will primarily be based on the participant's individual performance, annual salary, level of seniority for purposes of market bench marking, as well as retention and attraction considerations. Performance shares will vest on the basis of Company performance.

The number of bonus shares awarded to a participant will be determined by taking into consideration the quantum of the annual short term incentive earned by the participant for the prior financial year, and market practice. In order to earn a short

Annexure to the Annual General Meeting continued

term incentive (and subsequently qualify for bonus shares), certain performance hurdles must be met which are described below.

The award levels will be decided by the remuneration and nomination committee each time that awards are granted, by taking into account the particular circumstances at that time e.g. company affordability, retention considerations, exceptional company performance. Annual allocations will be benchmarked and set to a market-related level of remuneration while considering the overall affordability thereof to the Company.

Performance conditions and vesting
Bonus shares will be dependent on the quantum of the annual short term incentive earned based on the company financial and non-financial results modified by the individual's performance, and will be linked to performance in this manner. In addition, they will be subject to the fulfilment of the employment condition over an employment period of three years before vesting can occur.

Performance shares will be subject to the fulfilment of both the pre-determined performance conditions and the employment condition over an employment period of three years, for vesting to occur.

The remuneration and nomination committee will set appropriate performance conditions, performance periods, employment conditions and employment periods, as relevant, for each award, taking into account the business environment and company strategy at the time of making the awards, and where considered necessary, in consultation with shareholders. These will be agreed with the participant in terms of the award letter.

The following targets and vesting scale will be applied in respect of the performance shares:

	Target	Vesting scale
Below threshold	n/a	0% of the award will vest
Threshold	80% of target	50% of the award will vest
Target	Aveng's headline earnings growth per share over the performance period should be equal to or more than the headline earnings per share growth of the companies in the JSE construction index (excluding PPC Limited) over the same period	100% of the award will vest

It is envisaged that the first award of Performance Shares will be subject to Aveng's growth in headline earnings per share (HEPS) over a performance period of three years relative to the JSE construction index (excluding PPC Limited). The targets will be set on an annual basis by the Board and actual performance against targets will be communicated to shareholders in the remuneration report. Vesting will commence at 50% for threshold performance up to a maximum of 100%. Linear vesting will be applied between these points.

Headline earnings per share growth for Aveng and the construction index (excluding PPC Limited) will be calculated between the base year (i.e. for the financial year immediately preceding the start of the performance period) and the financial year at the end of the performance period. Growth in the aggregate HEPS of the constituents will be normalised appropriately to reflect the number of shares in issue in the base year.

Forfeiture of awards 14.9(b)(i)

If forfeitable shares are forfeited under the LTIP, the Company retains the right to allocate the forfeitable shares so forfeited for new awards to identified employees, or to instruct the escrow agent to sell or to procure the sale of any forfeited forfeitable shares on such terms as the Company may consider appropriate subject to the JSE Listing Requirements.

Manner of settlement

Following an award of forfeitable shares, settlement shall take place within 30 (thirty) days of the award date. The rules of the LTIP are flexible in order to allow for settlement in any of the following manners:

- By way of a market purchase of shares
- Use of treasury shares
- Issue of shares.

The exact method of settlement will be determined by the remuneration and nomination committee, although the preference will be a market purchase of shares as it causes no dilution to shareholders. In order to effect any forfeiture of awards, the forfeitable shares will be held by an escrow agent on behalf of the participant until they vest.

Limits and adjustments

The maximum number of shares which may at any one time be allocated under the LTIP and the Aveng Forfeitable Share Plan shall not exceed 20 833 547 shares, which represents approximately 5% of the number of issued shares as at the date of approval of the LTIP by shareholders. This is in line with market best practice.

Shares issued by the Company or shares held in treasury which are used to settle the LTIP, will be included in the Company limit. Forfeitable shares allocated under the LTIP, which are not subsequently settled to a participant as a result of the forfeiture thereof, will be excluded in calculating the Company limit. Similarly, any shares purchased in the market in settlement of the LTIP will be excluded. [14.1(b)]. The remuneration and nomination committee must, where required, adjust the company limit (without the prior approval of shareholders in a general meeting), to take account of a sub-division or consolidation of the shares of the Company. [14.3(a)]

The maximum number of shares which may be allocated to an individual in respect of all unvested awards under the LTIP and the Aveng Forfeitable Share Plan may not exceed 4 166 709 shares, which represents approximately 1% of the number of issued shares as at date of approval of the LTIP by shareholders. [14.1(c)]. The remuneration and nomination committee may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the Company. [14.3(b)]

The auditors, or other independent adviser acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the LTIP and must be reported on in the Company's financial statements in the year during which the adjustment is made. The issue of shares as consideration for an acquisition, and the issue of shares or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the company limit and the individual limit. [14.3(d), (e)]

Consideration [14.1(d)(i)]

The participant will give no consideration for the award or settlement of the shares.

Termination of employment [14.1(h)]

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct or on the basis of abscondment will be classified as "bad leavers" and will forfeit all unvested awards of forfeitable shares.

Participants terminating employment due to death, ill health, disability, injury, retrenchment, retirement (except to the extent that it constitutes bad leaver termination as set out above), or the sale of a subsidiary company will be classified as "good leavers" and a portion of their unvested award(s) shall vest on date of

Annexure to the Annual General Meeting continued

termination of employment. This portion will reflect the number of months served since the award date to the date of termination of employment over the total number of months in the employment period and the extent to which the performance condition (if applicable) has been met. The remainder of the award will lapse.

Change of control [14.1(g)]

In the event of a change of control of the Company occurring before the vesting date of any award, a portion of the award will vest. In respect of bonus shares and / or retention shares, the portion of the award which shall vest will reflect the number of complete months served since the award date to the change of control date, over the total number of months in the employment period. In respect of performance shares, in order to determine the portion of the award which shall vest, the remuneration and nomination committee will calculate whether and the extent to which the performance conditions have been satisfied by reference to the immediately preceding financial year and the number of complete months served since the award date to the change of control date, over the total number of months in the employment period.

The portion of the award which does not vest as a result of the change of control will, except on the termination of the LTIP, continue to be subject to the terms of the award letter, unless the remuneration and nomination committee determines otherwise.

Awards will not vest as a consequence of an internal restructuring / reorganisation or similar event which is not a change of control as defined in the rules of the LTIP. In this case the remuneration and nomination committee shall make such adjustment to the number of awards or convert awards into awards in respect of shares in one or more of the other companies, provided the participants are no worse off.

Variation of share capital

In the event of a variation in share capital such as a capitalisation issue, sub-division of shares, consolidation of shares etc, participants shall continue to participate in the LTIP. The remuneration and nomination committee may make such adjustment to the award or take such other action to place participants in no worse a position than they were prior to the occurrence of the relevant event and to provide that the fair value of the award immediately after the event is materially the same as the fair value of the award immediately before the event.

The issuing of shares as consideration for an acquisition, and the issuing of shares for a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the awards.

Liquidation

If the Company is placed into liquidation, other than for purposes of reorganisation, an award of performance shares shall *ipso facto* lapse as from the liquidation date. [14.1(e)]

Amendment [14.2]

The remuneration and nomination committee may alter or vary the rules of the LTIP as it sees fit. However, in the following instances the LTIP may not be amended without the prior approval of the JSE and a resolution by the shareholders of 75% of the voting rights:

- the category of persons who are eligible for participation in the LTIP;
- the number of shares which may be utilised for the purpose of the LTIP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which awards are made;
- the amount payable upon the award, settlement or vesting of an award;
- the voting, dividend, transfer and other rights attached to the awards, including those arising on a liquidation of the Company;
- the adjustment of awards in the event of a variation of capital of the Company or a change of control of the Company; and
- the procedure to be adopted in respect of the vesting of awards in the event of termination of employment.

General

The Rules of the LTIP are available for inspection from 21 September 2015 – 27 October 2015 at the Company's registered office, being Block A, Aveng Park, 1 Jurgens Street, Jetpark, Boksburg, South Africa. In terms of the JSE Listings Requirements, the passing of ordinary resolution number 6 requires the approval of a 75% majority of the voting rights exercised on the resolution.

Form of proxy

Aveng Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1944/018119/06) (Aveng or Company)

For use by the registered holders of certificated Aveng shares and the holders of dematerialised Aveng shares in their own name at the Annual General Meeting (AGM) of the Company to be held in the boardroom of the Company, Block A, Aveng Park, 1 Jurgens Street, Jetpark, Boksburg, on Tuesday, 27 October 2015 at 10:00.

Holders of Aveng shares (whether certificated or dematerialised) through a nominee must not complete this form of proxy, but should timeously make the necessary arrangements with that nominee or, if applicable, Central Securities Depository Participant or broker, to enable them to attend and vote at the AGM or to enable their votes in respect of their Aveng shares to be cast at the AGM by that nominee or a proxy or a representative.

I/We

(please print)

of (address)

being the registered

holder(s) of ordinary shares in the capital of the Company do hereby appoint:

1. or failing him / her,

2. or failing him / her,

the chairman of the AGM, as my / our proxy to vote on my/our behalf at the AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed at the AGM and at each adjournment of the AGM and to vote for or against the special and ordinary resolutions or to abstain from voting in respect of the shares in the issued share capital of the Company registered in my / our name / s, in accordance with the following instructions (see note 2):

Proposed resolutions	For	Against	Abstain
1. Ordinary resolution 1: Election of director – Mr Philip Hourquebie			
2. Ordinary resolution 2.1: Re-election of director – Mr Angus Band			
Ordinary resolution 2.2: Re-election of director – Mr Michael Kilbride			
Ordinary resolution 2.3: Re-election of director – Mr Juba Mashaba			
Ordinary resolution 2.4: Re-election of director – Mr Mahomed Seedat			
3. Ordinary resolution 3.1: Election of audit committee member – Mr Eric Diack			
Ordinary resolution 3.2: Election of audit committee member – Mr Philip Hourquebie			
Ordinary resolution 3.3: Election of audit committee member – Ms Kholeka Mzondeki			
Ordinary resolution 3.4: Election of audit committee member – Mr Peter Ward			
4. Ordinary resolution 4: Reappointment of external auditors			
5. Ordinary resolution 5: Approval of remuneration policy			
6. Ordinary resolution 6: Approval of the Long Term Incentive Plan (LTIP)			
7. Ordinary resolution 7: Signing authority			
8. Special resolution 1: General authority to repurchase shares			
9. Special resolution 2: Non-executive directors' remuneration			
10. Special resolution 3: Financial assistance to related and inter-related companies			

Signed at on 2015

Signature

Assisted by me (where applicable)

Each member is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote in place of that member at the AGM.

Please read the notes on the reverse side hereof.

Notes to the form of proxy

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the AGM" but any such deletion must be initialled by the member. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A member's instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the AGM as he/she deems fit. A member may instruct the proxy to vote fewer than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A member who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the member's votes exercisable at the AGM.

3. Forms of proxy must be lodged with or posted to the Company's share registrar, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Friday, 23 October 2015. Alternatively, such forms of proxy may be handed to the company secretary or chairman of the AGM not later than 30 minutes prior to the commencement of the AGM.

4. The completion and lodging of this form of proxy will not preclude the member from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointment in terms thereof, should each member wish to do so.

5. 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 the Company's share registrar or waived by the chairman of the AGM.

6. An alteration or correction made to this form of proxy must be initialled by the signatory/ies.

7. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the share registrar of the Company.

8. Where there are joint holders of shares in the Company, any one of such persons may, alone, sign this form of proxy in respect of such shares as if such person was the sole holder but, if more than one of such joint holders submits a form of proxy, the form of proxy, if accepted by the chairman of the AGM, submitted by the holder whose name appears first in the Company's share register will be accepted to the exclusion of any other forms of proxy submitted by any other joint holder(s).

9. The chairman of the AGM may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the AGM is satisfied as to the manner in which the member wishes to vote.

10. A proxy need not be a member of the Company.

11. On a show of hands every shareholder present in person or every proxy or duly authorised representative representing shareholders shall have only one vote, irrespective of the number of shareholders or shares he/she represents or holds.

12. On a poll, every shareholder present in person or represented by proxy or a duly authorised representative shall have one vote for every share held by such shareholder.

13. A resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the results of the show of hands, a poll shall be demanded by any person entitled to vote at the AGM. If a poll is demanded, the resolution put to the vote shall be decided on a poll.

Corporate information

Company secretary
Michelle Nana

Business address and registered office
Block A
Aveng Park
1 Jurgens Street
Jetpark
Boksburg
South Africa
Telephone +27 (0) 11 779 2800
Telefax +27 (0) 11 784 5030

Company registration number
1944/018119/06

Share codes
JSE: AEG
ISIN: ZAE 000111829

Website
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Auditors
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Registration number: 2005/002308/21
102 Rivonia Road
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Telephone +27 (0) 11 772 3000
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Principal bankers
Absa Bank Limited
Australia and New Zealand Banking Group Limited
Barclays Bank Public Limited Company
Commonwealth Bank of Australia Limited
FirstRand Bank Limited
Investec Bank Limited
Nedbank Limited
Standard Chartered Bank Public Limited Company
The Hong Kong and Shanghai Banking Corporation Limited
The Standard Bank of South Africa Limited

Corporate legal advisers
Baker & McKenzie
Cliffe Dekker Hofmeyr
Norton Rose Fulbright
Webber Wentzel

Sponsor
J.P. Morgan Equities South Africa Proprietary Limited
Registration number: 1995/011815/07
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Registrars
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Shareholders' diary

Financial year-end	30 June
Annual General Meeting	27 October 2015
Publication of results	
– Half-year ended 31 December 2015	23 February 2016
– Year ended 30 June 2016	23 August 2016

BASTION GRAPHICS

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