

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions and interpretations commencing on page 7 of this Circular apply *mutatis mutandis* to this cover.

ACTION REQUIRED BY AVENG SHAREHOLDERS

- Aveng Shareholders are referred to page 2 of this Circular, which sets out the action required of them with regards to matters set out in this Circular.
- If you are in any doubt as to what action you should take, you should consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.
- If you have disposed of all of your Aveng Ordinary Shares, please forward this Circular together with the Notice of General Meeting, to the purchaser of your Aveng Ordinary Shares, or the CSDP or broker or agent through whom the disposal was effected.

Aveng does not accept responsibility, and shall not be held liable, for any action of, or omission by, any CSDP or broker or agent including, without limitation, any failure on the part of CSDP or broker or agent of any beneficial owner of Aveng Ordinary Shares to notify such beneficial owner of the details set out in this Circular.

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this Circular and Form of Instruction should not be forwarded or transmitted to any person in any territory other than where it is lawful to make such an offer.

No action has been taken by Aveng to obtain any approval, authorisation or exemption to permit the issue of Rights Offer Shares or the possession or distribution of this Circular (or any other publicity material relating to the Rights Offer Shares) in any jurisdictions other than South Africa. Foreign Shareholders should refer to Annexure 4 of this Circular for further details in this regard.

Only whole numbers of Ordinary Shares will be issued in terms of the Rights Offer and Shareholders will be entitled to rounded numbers of shares once the ratio of entitlement has been applied. Excess applications will not be allowed.

CIRCULAR TO AVENG SHAREHOLDERS



Providing a better life

AVENG LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1944/018119/06)

Share code on the JSE: AEG ISIN: ZAE000111829

("Aveng" or "the Company")

relating to:

- a fully-underwritten renounceable Rights Offer to Qualifying Shareholders in respect of 20 000 000 000 Rights Offer Shares at an issue price of 1.5 cents per Rights Offer Share, in the ratio of 103.12203 Rights Offer Shares, for every 100 Aveng Ordinary Shares held at the close of trade on Tuesday, 23 February 2021,

and enclosing:

- a Form of Instruction in respect of a Letter of Allocation (to be completed by holders of Certificated Shares only).

Rights Offer opens on 09:00 on

Monday, 1 March 2021

Rights Offer closes at 12:00 on

Friday, 12 March 2021

Date of issue: Monday, 22 February 2021

JSE Sponsor



Legal Advisor

**Baker
McKenzie.**

Transaction Advisor

DGCAPITAL

CORPORATE INFORMATION AND ADVISORS

Company secretary

Edinah Mandizha
3rd Floor
10 The High Street
Melrose Arch
Gauteng, 2076
(PO Box 6062, Rivonia, 2128)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, Johannesburg,
Gauteng, 2132)

Auditors

Ernst & Young Incorporated
102 Rivonia Road
Sandton
Johannesburg, 2196
(Private Bag X14, Sandton, 2146)

Transaction Advisor

DG Capital Proprietary Limited
66 St Andrew Street
Birdhaven
Johannesburg, 2196
(PO Box 3061 Houghton 2041)

Date of incorporation of Aveng

22 November 1944

Place of incorporation of Aveng

South Africa

This Circular is available in English only. Copies may be obtained from the registered office of the Company and the Transfer Secretaries at the addresses set out above. Shareholders will be able to access the Circular at <https://www.aveng.co.za>.

Registered office and business address

3rd Floor
10 The High Street
Melrose Arch
Gauteng, 2076
(PO Box 6062, Rivonia, 2128)

Legal advisers

Baker & McKenzie Incorporated
1 Commerce Square
39 Rivonia Road
Sandhurst
Johannesburg, 2196

Sponsor

UBS South Africa Proprietary Limited
144 Oxford Road
8th Floor South Wing
Melrose
Johannesburg
2196
(PO Box 522194, Saxonwold, Rosebank, 2196)

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ACTION REQUIRED BY SHAREHOLDERS

If you are in any doubt as to what action you should take, you should consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all your Aveng Ordinary Shares, please forward this Circular, together with the enclosed Form of Instruction, to the purchaser of such Aveng Ordinary Shares or the broker, CSDP or other agent through whom you disposed of such Aveng Ordinary Shares. This Circular and Form of Instruction should not be forwarded to any person in any territory other than South Africa unless the Rights Offer can lawfully be made to such person or in such territory.

ACTION REQUIRED BY CERTIFICATED SHAREHOLDERS

A Form of Instruction for completion by Qualifying Shareholders who hold Certificated Shares is enclosed with this Circular and the relevant procedure for participation in the Rights Offer is set out below.

If you are a Qualifying Shareholder holding Certificated Shares and wish to subscribe for all or part of your entitlement in terms of the enclosed Form of Instruction, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the proof of EFT payment of the amount due in ZAR and the EFT swift reference number (EFT to be made into the Designated Bank Account, details of which are available from the corporate actions department of the Transfer Secretaries at 0861 100 634 if calling from within South Africa; +27 11 370 5000 if calling from outside South Africa; or via email at corporate.events@computershare.co.za), with the Transfer Secretaries as follows:

By electronic mail:

Aveng Limited – Rights Offer

c/o Computershare Investor Services Proprietary Limited
Email: corporate.events@computershare.co.za:

By post to:

Aveng Limited – Rights Offer

c/o Computershare Investor Services Proprietary Limited
PO Box X9000
Saxonwold, 2132;

By hand to:

Aveng Limited – Rights Offer

c/o Computershare Investor Services Proprietary Limited
Ground Floor
1st Floor Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg,

so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 12 March 2021.

Qualifying Shareholders are reminded of the postal restrictions resulting from COVID-19 and are advised that the preferred means to lodge their Forms of Instruction and proof of EFT payment with the Transfer Secretaries is by way of electronic mail. Lodgement by post shall be at the risk of the Qualifying Shareholder.

The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any email address other than that provided above. Forms of Instruction shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic system. Notwithstanding anything to the contrary, it is the responsibility of all Shareholders to ensure that their Form of Instruction is received by the Transfer Secretaries.

Aveng and the Transfer Secretaries accept no responsibility and will not be held liable for any allocation of Rights Offer Shares pursuant to payment being made or alleged to have been made by way of electronic transfer and where proof of such payment has not been received or purported proof of such payment being insufficient or defective for Aveng and the Transfer Secretaries, for any reason, not being able to reconcile a payment or purported payment with a particular application for Rights Offer Shares.

In order to comply with legislative requirements, the Rights Offer Shares may only be issued in Dematerialised form.

If the required documentation and payment have not been received in accordance with the instructions contained in the enclosed Form of Instruction by 12:00 on Friday, 12 March 2021, then the Rights to those unsubscribed Rights Offer Shares will be deemed to have been declined and the Rights Offer entitlement will lapse.

If you have any queries in relation to the action required by Certificated Shareholders, please contact the Transfer Secretaries' helpline via email at corporate.events@computershare.co.za or telephonically on 0861 100 634 if calling from within South Africa and on +27 11 370 5000 if calling from outside of South Africa. Call made from within South Africa will be charged at the standard geographic rate and will vary by provider. Calls made from outside of South Africa will be charged at the applicable international rates. Alternatively, you may send an email to returnmycall@computershare.co.za or, if in South Africa, dial *134*20011#. The helpline will be operational between 08:00 and 16:00 (South African time) from Monday to Friday, excluding public holidays in South Africa.

ACTION REQUIRED BY DEMATERIALISED SHAREHOLDERS

If you are a Qualifying Shareholder and have Dematerialised your Aveng Ordinary Shares, you will not receive a printed Form of Instruction and you should receive notification from your CSDP or broker regarding the Rights to which you are entitled in terms of the Rights Offer.

Your CSDP or broker will credit your account with the number of Rights to which you are entitled and will contact you to ascertain whether you wish to follow your Rights in terms of the Rights Offer and, if so, in respect of how many Rights Offer Shares, or if you wish your Rights to lapse.

Rights not exercised will be deemed to have been declined and will lapse and you will not receive any economic benefit in respect of such lapsed Rights.

CSDPs effect payment in respect of Qualifying Shareholders who have Dematerialised their Aveng Ordinary Shares on a delivery *versus* payment basis. You must ensure that you have sufficient funds in your account to settle the aggregate Rights Offer Price payable in respect of the Rights Offer Shares for which you wish to subscribe.

If you are a Qualifying Shareholder holding Dematerialised Shares and wish to follow your Rights in respect of the Rights Offer, you are required to notify your duly appointed CSDP or broker of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker. If you are not contacted, you should proactively contact your CSDP or broker and provide them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Rights Offer Shares in terms of the Rights Offer.

DISCLAIMER

All transactions arising from the provisions of this Circular and the Form of Instruction shall be governed by and be subject to the laws of South Africa.

The Rights Offer will not constitute an "offer to the public", as envisaged in Chapter 4 of the Companies Act and accordingly this Circular does not, nor does it intend to, constitute a "registered prospectus", as contemplated in Chapter 4 of the Companies Act.

Should any person who is not a Shareholder receive this Circular they should not and will not be entitled to acquire any Shares or Letters of Allocation or otherwise act thereon.

This Circular and any accompanying documentation are not intended to, and do not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer. In those circumstances or otherwise if the distribution of this Circular and any accompanying documentation in jurisdictions outside of South Africa are restricted or prohibited by the laws of such jurisdiction, this Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

Aveng does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this section (unless specifically defined where used or the context indicates a contrary meaning).

2021

Declaration date	Tuesday, 16 February
Finalisation announcement released on SENS (before 11:00), on	Thursday, 18 February
Circular to be published on Aveng website	Monday, 22 February
Last day to trade in shares in order to participate in the Rights Offer (<i>cum entitlement</i>)	Tuesday, 23 February
Shares commence trading ex-entitlement at 09:00 on	Wednesday, 24 February
Listing of and trading in the Letters of Allocation under code AEGN and ISIN ZAE000295481 on the JSE commences at 09:00 on	Wednesday, 24 February
Circular and a Form of Instruction, where applicable, posted to Qualifying Certificated Shareholders on	Thursday, 25 February
Record Date at 17:00 on	Friday, 26 February
Rights Offer opens at 09:00 on	Monday, 1 March
In respect of Qualifying Certificated Shareholders, Letters of Allocation credited to an electronic account held with the Transfer Secretaries at 09:00 on	Monday, 1 March
Circular emailed to Qualifying Dematerialised Shareholders	Monday, 1 March
In respect of Qualifying Dematerialised Shareholders, CSDP or broker accounts credited with Letter of Allocation at 09:00 on	Monday, 1 March
Last day to lodge Form of Instruction with the Transfer Secretaries in respect of Qualifying Certificated Shareholders (or their renounees) wishing to sell all or some of their Letters of Allocation by (12:00) on	Tuesday, 9 March
Last day to trade Letters of Allocation on the JSE	Tuesday, 9 March
Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00 on	Wednesday, 10 March
Last day for restricted shareholders to lodge qualified institutional buyers' investor letters to Aveng at 12:00 on	Friday, 12 March
Rights Offer closes at 12:00 on	Friday, 12 March
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by Qualifying Certificated Shareholders wishing to renounce or subscribe for all or part of their entitlement at 12:00 on	Friday, 12 March
Record date for Letters of Allocation on	Friday, 12 March
Rights Offer Shares issued on	Monday, 15 March
In respect of Qualifying Dematerialised Shareholders (or their renounees), CSDP or broker accounts debited with the aggregate Rights Offer Price and updated with Rights Offer Shares at 09:00 on	Monday, 15 March
In respect of Qualifying Certificated Shareholders (or their renounees), share certificates in respect of Rights Offer Shares posted on or about	Monday, 15 March
Results of the Rights Offer announced on SENS on	Monday, 15 March

Notes:

1. If you are a Qualifying Dematerialised Shareholder you are required to notify your duly appointed CSDP or broker of your acceptance of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between yourself and your CSDP or broker.
2. CSDPs effect payment on a delivery versus payment method in respect of Qualifying Dematerialised Shareholders.
3. Shareholders may not Dematerialise or rematerialise their Ordinary Shares between Wednesday, 24 February 2021, and Friday, 26 February 2021, both dates inclusive.
4. All times are South African times.
5. Share certificates will be posted by registered post at the risk of the Qualifying Certificated Shareholders (or their renounees).

DEFINITIONS AND INTERPRETATIONS

Throughout this Circular, unless the context indicates otherwise, the words in the column on the left below shall have the meaning stated opposite them in the column on the right below, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons:

"Absa"	Absa Bank Limited (registration number 1986/004794/06) (acting through its Corporate and Investment Banking division), a public company and bank duly registered and incorporated with limited liability in accordance with the laws of South Africa;
"Act" or "Companies Act"	Companies Act No 71 of 2008, as amended;
"Authorised Dealer"	a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
"Aveng Class A Shares"	unlisted, A class, no par value, non-voting convertible shares in the authorised share capital of Aveng;
"Aveng Ordinary Share"	an ordinary no par value share in the share capital of Aveng;
"Bank Restructure"	has the meaning given to that term in paragraph 1.3.1 of the December 2020 Circular;
"Balance Sheet Restructure Transaction"	has the meaning given to that term on page 5 of the December 2020 Circular;
"Board"	the board of Directors, which, as at the Last Practicable Date, comprised the persons whose names appear on page 12 of this Circular;
"Business Day"	any day other than Saturday, Sunday or any official public holiday in South Africa;
"Certificated Shareholders"	holders of Certificated Shares;
"Certificated Shares"	Aveng Ordinary Shares or Aveng Class A Shares that have not been Dematerialised, the title to which is represented by a share certificate or other Document of Title;
"Circular"	this bound document, dated Monday, 22 February 2021 including the annexures hereto;
"Common Monetary Area"	consists of Lesotho, Namibia, South Africa and Swaziland;
"CSDP"	a central securities depository participant, being a participant as defined in section 1 of the Financial Markets Act, appointed by a Shareholder for purposes of, and in regard to, Dematerialisation and to hold and administer securities or an interest in securities on behalf of a Shareholder;
"December 2020 Circular"	means the bound circular document circulated to Shareholders dated Friday, 18 December 2020;
"Designated Bank Account"	the bank account, the details of which will be provided on request from the corporate actions department of the Transfer Secretaries, contactable during ordinary business hours on 0861 100 634 if calling from within South Africa and on +27 11 370 5000 if calling from outside of South Africa;

“Dematerialisation” or “Dematerialised”	the process by which Certificated Shares are converted to or held in electronic form as uncertificated securities and recorded in a sub-register of securities holders maintained by a CSDP, after the Documents of Title have been validated and cancelled by the Transfer Secretaries and captured onto the Strate system by the selected CSDP or broker, and the holding of securities is recorded electronically;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	Aveng Ordinary Shares which have been through the Dematerialisation process;
“Directors”	directors of Aveng, being both non-executive and executive directors;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts, or any other documents of title to Shares;
“EFT”	electronic funds transfer;
“Exchange Control Regulations”	Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act No 9 of 1933, as amended;
“Financial Markets Act”	Financial Markets Act No 19 of 2012, as amended;
“Foreign Shareholders”	Shareholders that are registered in a jurisdiction outside of South Africa, or who are resident, domiciled or located in, or who are citizens of, a jurisdiction other than South Africa;
“Form of Instruction”	a form of instruction in respect of a Letter of Allocation as attached to this Circular;
“Group”	Aveng and its subsidiaries;
“Highbridge Funds”	means, Highbridge TCF and/or Highbridge SCF and any other funds managed by Highbridge Capital Management LLC, to which Rights are assigned, the Highbridge Funds are managed by Highbridge Capital Management, LLC, which is an indirect, wholly-owned subsidiary of JP Morgan Chase & Co;
“Highbridge SCF”	Highbridge SCF Special Situations SPV, L.P., an asset management fund and exempted limited partnership duly incorporated under the laws of the Cayman Islands with a principal place of business at c/o HedgeServ (Cayman) Ltd., Willow House, Cricket Square 3rd Floor, George Town, Grand Cayman, KY1-1104, Cayman Islands, as managed by Highbridge Capital Management LLC;
“Highbridge TCF”	Highbridge Tactical Credit Master Fund, L.P., an asset management fund and exempted limited partnership duly incorporated under the laws of the Cayman Islands with a principal place of business at c/o HedgeServ (Cayman) Ltd., Willow House, Cricket Square 3rd Floor, George Town, Grand Cayman, KY1-1104, Cayman Islands, as managed by Highbridge Capital Management LLC;
“iNguza”	iNguza Investments (RF) Limited (registration number 2008/003346/06), a public company duly registered and incorporated with limited liability in accordance with the laws of South Africa;
“iNguza Noteholders”	holders of notes issued by iNguza under the ZAR25 000 000 000 asset-backed note programme dated 12 February 2019, as amended; as at Friday, 11 December 2020 (being the last practicable date prior to the finalisation of the December 2020 Circular);

“Investec”	Investec Bank Limited (registration number 1969/004763/06), a public company and bank duly registered and incorporated with limited liability in accordance with the laws of South Africa;
“JSE”	the stock exchange operated by the JSE Limited;
“JSE Limited”	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability in accordance with the laws of South Africa and which is licensed to operate an exchange in terms of the Financial Markets Act;
“Last Practicable Date”	Thursday, 11 February 2021, being the last practicable date prior to the finalisation of this Circular;
“Lenders”	collectively, Absa, RMB, iNguza, Investec, Nedbank and SBSA;
“Letter of Allocation”	a renounceable (nil paid) letter of allocation issued by the Company to Qualifying Shareholders in Dematerialised form, conferring a Right on the holder thereof which will be listed with the JSE;
“Listings Requirements”	Listings Requirements of the JSE, as amended from time to time by the JSE;
“MIP 2021”	the management incentive plan as approved by Shareholders at the extraordinary general meeting of the Company held on Wednesday, 20 January 2021 (the results of which vote were announced on SENS on Thursday, 21 January 2021), with the salient details of the management incentive plan being set out in Annexure 3 to the December 2020 Circular and as further detailed in paragraph 6.4 (Directors’ Emoluments) of this Circular;
“Nedbank”	Nedbank Limited (registration number 1951/000009/06) (acting through its Corporate and Investment Banking division), a public company and bank duly registered and incorporated with limited liability in accordance with the laws of South Africa;
“Non-qualifying Shareholders”	any Shareholder which has its registered address in any jurisdiction in which it would be unlawful to make the Rights Offer in respect of that Shareholder or would require Aveng to comply with any governmental or other consent or any registration, filing or other formality for that Shareholder to lawfully follow its Rights with which Aveng has not complied with;
“Pandora Select”	Pandora Select Partners L.P., a Cayman Islands exempted limited partnership and with its registered office address at P.O. Box 1348 94 Solaris Avenue, Camana Bay, Grand Cayman KY1-1108 Cayman Islands, as managed by Whitebox Advisors LLC;
“Qualifying Shareholder”	a registered holder of Aveng Ordinary Shares on the Register of Shareholders of Aveng as at 17:00 on the Record Date for the Rights Offer and which is not a Non-qualifying Shareholder;
“Ratio of Entitlement”	the number of Rights Offer Shares to which Shareholders are entitled to subscribe for in terms of the Rights Offer, being 103.12203 Rights Offer Shares for every 100 Aveng Ordinary Shares held on the Record Date for the Rights Offer, and/or such proportionate lower number of Ordinary Shares in respect of a holding of less than 100 Ordinary Shares held on the Record Date for the Rights Offer;
“Record Date for the Rights Offer”	the last day for Shareholders to be recorded in the Register in order to participate in the Rights Offer, being close of business on Friday, 19 February 2021;

“Register”	the register of Certificated Shareholders maintained by Aveng and the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs;
“Related Party Transaction”	has the meaning given in paragraph 10.1(a) of the Listings Requirements;
“Rights”	the entitlement to subscribe for Ordinary Shares and/or Aveng Class A Shares pursuant to the Rights Offer;
“Rights Offer”	the fully co-underwritten renounceable rights offer in terms of which Qualifying Shareholders are entitled to subscribe for the Rights Offer Shares;
“Rights Offer Share Price”	the price per Rights Offer Share to be offered to Shareholders in terms of the Rights Offer is 1.5 cents per Rights Offer Share;
“Rights Offer Shares”	up to 20 000 000 000 Aveng Ordinary Shares that may be issued pursuant to the Rights Offer which includes as many Aveng Class A Shares as may be required to be issued to the Underwriters in the place of Aveng Ordinary Shares in order to ensure that the minima for the Rights Offer as required by the Underwriters are attained;
“RMB”	FirstRand Bank Limited (registration number 1929/001225/06) (acting through its Rand Merchant Bank division), a public company and bank duly registered and incorporated with limited liability in accordance with the laws of South Africa;
“SBSA”	The Standard Bank of South Africa Limited (registration number 1962/080738/06) (acting through its Corporate and Investment Banking division), a public company and bank duly registered and incorporated with limited liability in accordance with the laws of South Africa;
“Shareholders”	holders of Aveng Ordinary Shares;
“SENS”	Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (registration number 1998/022242/07), a limited liability private company duly incorporated in South Africa;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa;
“Underwriters”	each of Highbridge TCF, Highbridge SCF, Whitebox Multi, Whitebox GT, Pandora Select, and Whitebox Caja Blanca all of whom are “material shareholders” (as contemplated in the Listing Requirements) in the Company;
“Underwriting Agreement”	the co-underwriting agreement entered into between Aveng and the Underwriters, dated 13 December 2020, in terms of which the Underwriters have irrevocably undertaken to follow all of their Rights and subscribe for all of the Rights Offer Shares to which they are entitled in terms of the Rights Offer as well as to subscribe for any Rights Offer Shares that are not taken up by the Shareholders and/or their renounees in terms of the Rights Offer, subject to a maximum underwritten amount of ZAR180 000 000 in respect of the Highbridge Funds and ZAR120 000 000 in respect of the Whitebox Funds;
“VAT”	Value Added Tax, payable in terms of the Value Added Tax Act No 89 of 1991, as amended;

“Whitebox Caja Blanca”	Whitebox Caja Blanca Fund L.P. a Delaware limited partnership and with its registered office address at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, as managed by Whitebox Advisors LLC;
“Whitebox Funds”	each of Whitebox Multi, Whitebox GT, Pandora Select, and Whitebox Caja Blanca and any other funds managed by Whitebox Advisors LLC, an SEC registered investment adviser (majority owned by Robert Vogel, Paul Twitchell, Dyal Capital Partners II (A), L.P. and Dyal Capital Partners II (B), L.P.), to which Rights are assigned;
“Whitebox GT”	Whitebox GT Fund L.P., a Delaware limited partnership and with its registered office address at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, as managed by Whitebox Advisors LLC;
“Whitebox Multi”	Whitebox Multi Strategy Partners L.P., a Cayman Islands exempted limited partnership and with its registered office address at P.O. Box 1348 94 Solaris Avenue, Camana Bay, Grand Cayman KY1-1108 Cayman Islands, as managed by Whitebox Advisors LLC; and
“ZAR” and “cents”	South African Rand and cents, the official currency of South Africa.



Providing a better life

AVENG LIMITED

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

Executive Directors

SJ Flanagan (CEO)
AH Macartney (Group Financial Director)

Independent Non-Executive Directors

MA Hermanus (Lead independent non-executive)
PA Hourquebie (Chair)
MJ Kilbride
B Modise

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

- 1.1** Shareholders are referred to the announcement released on SENS on Wednesday, 25 November 2020 and the December 2020 Circular, in which Aveng announced its intention to proceed with the Balance Sheet Restructure Transaction, and containing the terms of the Balance Sheet Restructure Transaction.
- 1.2** The Balance Sheet Restructure Transaction includes, *inter alia*, the Rights Offer in terms of which Aveng wishes to raise an amount of ZAR300,000,000.
- 1.3** In terms of the Underwriting Agreement, Aveng has received a commitment from the Underwriters to follow all of their rights and subscribe for all of the Rights Offer Shares to which they are entitled in terms of the Rights Offer as well as to subscribe for any Rights Offer Shares that are not taken up by the Shareholders and/or their renounees in terms of the Rights Offer, subject to a maximum underwritten amount of ZAR180 000 000 in respect of the Highbridge Funds and ZAR120 000 000 in respect of the Whitebox Funds.
- 1.4** In terms of the Rights Offer, Shareholders recorded in the Register at the close of trade on Friday, 26 February 2021, will receive Rights to subscribe for Rights Offer Shares at the Rights Offer Share Price. Only whole numbers of Rights Offer Shares will be issued and Shareholders will be entitled to rounded numbers of Rights Offer Shares once the Ratio of Entitlement has been applied.
- 1.5** At an extraordinary general meeting of the Shareholders held on Wednesday, 20 January 2021, Shareholders approved, *inter alia*, the following resolutions in order to implement the Rights Offer:
 - an amendment to the Company's Memorandum of Incorporation to create the Aveng Class A Shares as new class of securities instruments ranking *pari passu* with Aveng Ordinary Shares (save for voting rights) and convertible (at the election of the holder) into Aveng Ordinary Shares (such amendment has been registered with the Companies and Intellectual Property Commission on Wednesday, 27 January 2021 and as announced on SENS by the Company to shareholders on Tuesday, 2 February 2021);
 - approval of the future conversion of Aveng Class A Shares to Aveng Ordinary Shares as and when any holder of Aveng Class A Shares elect to do so and the allotment and issue of Aveng Ordinary Shares pursuant thereto;
 - approval of the Rights Offer, the allotment and issue of the Rights Offer Shares pursuant thereto and placing the Rights Offer Shares under the control of the Board to give effect thereto;

- approval of the Specific Issue to Underwriters, if required, and placing Aveng Ordinary Shares and Aveng Class A Shares under the control of the Board to give effect thereto; and
- approval of the above Specific Issues to the Underwriters as Related Party Transactions.

1.6 The JSE has agreed to the listing of the Rights Offer Shares (excluding the Aveng Class A Shares which shall not be listed) and for the purpose of this Circular is to furnish Shareholders with relevant information relating to the Rights Offer, the action required and the implications thereof, in accordance with the Companies Act and the Listings Requirements.

2. RATIONALE

Following a multi-year journey, the Balance Sheet Restructure Transaction will allow the Group to reset its capital structure, deleveraging its balance sheet by more than ZAR1 billion, extending the Group's maturity profile to three years, and simultaneously materially improving the Group's South African liquidity pool. Following this transformational event, Aveng believes that the remaining debt is sustainable and the remaining balance is forecast to be repaid over the next three years. Importantly, this transaction not only provides Aveng the capital structure flexibility to complete its non-core asset sale programme and to wind down its remaining exposure to discontinued businesses, but also sets the Group on a path to pursue its strategy around the Group's core businesses, McConnell Dowell and Moolmans, which have returned to profitability and where Aveng sees further business improvement prospects and growth opportunities.

3. USE OF PROCEEDS FROM RIGHTS OFFER

3.1 An amount of ZAR300 000 000 will be received by Aveng pursuant to the Rights Offer, a large portion of which will be utilised to (i) settle interest due to the Lenders under facilities made available to Aveng Africa Proprietary Limited (**Aveng Africa**), a subsidiary of Aveng, (ii) pay an amount of approximately ZAR61 051 354 to settle and discharge debt of approximately ZAR184 009 137 due to certain Lenders of Aveng Africa, (iii) pay to iNguza, one of the Lenders to Aveng Africa, the cash amount required to partially settle and discharge Aveng Africa's debt to iNguza and to early settle certain of the iNguza Notes, which amount will be between ZAR148 000 000 and ZAR154 000 000, depending on the election of the of the iNguza Noteholders, and which amount will discharge ZAR489 000 00 to ZAR500 000 000 of Aveng Africa's debt to iNguza. The balance will be retained by Aveng to improve liquidity and to allow for Aveng to meet the Group's debt repayment requirements.

3.2 The Balance Sheet Restructure Transaction will result in the reduction of the debt levels by an amount of ZAR1 075 542 041 and an increase in the equity of Aveng by the same amount plus additional capital of ZAR78 000 000.

4. PARTICULARS OF THE RIGHTS OFFER

4.1 Terms of the Rights Offer

- Aveng hereby offers the Qualifying Shareholders the Rights Offer Shares for subscription, upon the terms and conditions set out in this Circular and the attached Form of Instruction, by way of renounceable Rights, as a subscription price of 1.5 cents per Rights Offer Share on the basis that 103.12203 Rights Offer Shares for every 100 Aveng Ordinary Shares held by Qualifying Shareholders at the close of trade on the Record Date for the Rights Offer. If fully subscribed, Aveng will raise an amount of ZAR300,000,000 in terms of the Rights Offer.
- The subscription price represents a discount of 39.5% to the 30-day volume weighted average traded price of the Aveng Ordinary Shares as at the close of business on 27 November 2020.
- Qualifying Shareholders recorded in the Register of Aveng at the close of business on Friday, 26 February 2021, will be entitled to participate in the Rights Offer.
- The enclosed Form of Instruction contains details of the Rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance of all or part of those Rights. Holders of Dematerialised Shares will be advised of the Rights to which they are entitled as well as the procedure for acceptance of all or part of those Rights by their CSDP or broker in terms of the custody agreement entered into between the Shareholder and his/her/its CSDP or broker, as the case may be.

- The subscription price is payable in full, in ZAR, by Qualifying Shareholders holding Certificated Shares on the acceptance of the Rights Offer. CSDPs will make payment, on delivery *versus* payment basis, in respect of Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer. Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer must ensure that the necessary funds are deposited with the relevant CSDP or broker, as the case may be.
- The Rights Offer is co-underwritten as detailed in paragraph 4.7 of this Circular.

4.2 Opening and closing dates of the Rights Offer

The Rights Offer will open at 09:00 on Monday, 1 March 2021, and will close at 12:00 on Friday, 12 March 2021.

4.3 Entitlement

The table of entitlement illustrating the number of Rights Offer Shares to which Qualifying Shareholders will be entitled is set out in **Annexure 1** to this Circular. The entitlement of each Qualifying Shareholder is reflected in the appropriate block of the Form of Instruction, which is enclosed with this Circular. If you are a Qualifying Shareholder and hold Dematerialised Shares, you will not receive a printed Form of Instruction. Qualifying Shareholders holding Dematerialised Shares will have their accounts automatically credited with their entitlements in accordance with **Annexure 1**.

4.4 Fractional entitlement

The number of Rights to subscribe for Rights Offer Shares to which Qualifying Shareholders will become entitled will be determined by the Ratio of Entitlement. Only even whole numbers of Rights Offer Shares will be issued and Shareholders will be entitled to subscribe for rounded numbers of Rights offer Shares once the Ratio of Entitlement has been applied. Fractional entitlements and all odd numbers will be rounded up to the nearest even number as set out in **Annexure 1**. The reason even numbers are required is that the Rights Offer Price is 1.5 cents and therefore an even number is required to make it a full cent.

4.5 Holdings of odd lots in multiple other than 100 Aveng Ordinary Shares

Qualifying Shareholders holding less than 100 Aveng Ordinary Shares, or not holding a whole multiple of 100 Aveng Ordinary Shares will be entitled, in respect of such holdings, to participate in the Rights Offer in accordance with the Table of Entitlement in **Annexure 1** to this Circular.

4.6 Minimum subscription

The Rights Offer is not conditional on any minimum subscription being obtained.

4.7 Underwriting

- The Rights Offer will be fully co-underwritten by the Underwriters as to ZAR180,000,000 in respect of the Highbridge Funds and ZAR120,000,000 in respect of the Whitebox Funds, which have irrevocably undertaken to take up their *pro rata* portion of the Rights Offer and to underwrite the take-up of non-participating Shareholders in the aggregate amount of up to ZAR180,000,000 and ZAR120,000,000, respectively, but the Highbridge Funds require a minimum issue to them under the Rights Offer of ZAR120,000,000 and the Whitebox Funds require a minimum issue to them under the Rights Offer of ZAR83,000,000. To the extent that the aforesaid minima are not achieved pursuant to the Rights Offer, a specific issue of Aveng Ordinary Shares and/or Aveng Class A Shares will be made to the Underwriters in order to achieve such minimum amounts.
- The Rights Offer Shares to be underwritten are split among the Underwriters as follows:
 - Highbridge SCF as to ZAR65,400,000 (subject to a minimum of ZAR43,600,000);
 - Highbridge TCF as to ZAR114,600,000 (subject to a minimum of ZAR76,400,000);
 - Whitebox Caja Blanca as to ZAR45,000,000 (subject to a minimum of ZAR31,125,000);
 - Whitebox GT as to ZAR7,500,000 (subject to a minimum of ZAR5,187,500);
 - Whitebox Multi as to ZAR45,000,000 (subject to a minimum of ZAR31,125,000); and
 - Pandora Select as to ZAR22,500,000 (subject to a minimum of ZAR15,562,500).

- The proportion of Aveng Ordinary Shares versus Aveng Class A Shares issued to the Underwriters pursuant to the underwriting contemplated above, including the possibility of a specific issue (at the maximum assuming all existing shareholders follow their rights) to the Underwriters to achieve the minimum investment requirement, is as follows:

Scenario	Rights Offer			Additional specific issue
	Underwriters		Total	
	Aveng Ordinary Shares	Aveng Class A Shares		
No existing Aveng Shareholders follow their Rights (other than the Underwriters)	12,748,726,467	7,251,273,533	Aveng Ordinary Shares	Aveng Ordinary Shares and/or Aveng Class A Shares
All existing Aveng Shareholders follow their Rights (including the Underwriters)	5,772,526,621	440,271,179	Aveng Ordinary Shares	Aveng Class A Shares
44.73% of the existing Aveng Shareholders follow their Rights (but minimum underwriting requirements are met)	11,200,842,293	2,632,491,179	Aveng Ordinary Shares	Aveng Class A Shares
			Aveng Ordinary Shares	Aveng Class A Shares
			Aveng Ordinary Shares	Aveng Class A Shares
			Aveng Ordinary Shares	Aveng Class A Shares

- In terms of the Underwriting Agreement the Underwriters will receive commitment and underwriting fees as follows:
 - in respect of the Highbridge Funds, an amount of ZAR5,400,000 (excluding VAT); and
 - in respect of the Whitebox Funds, an amount of ZAR3,600,000 (excluding VAT),
 which equate to 3% of the value of the subscription price of the Rights Offer Shares which the Underwriters are entitled to subscribe for in terms of the Rights Offer. 600,000,000 Aveng Ordinary Shares will be issued to the Underwriters in respect of their aforesaid fees, which Underwriters shall take such Aveng Ordinary Shares at the Rights Offer Price. This constitutes a specific issue of shares for cash in terms of the Listings Requirements and has been approved by Aveng Shareholders pursuant to the resolutions passed at the extraordinary general meeting of Aveng held at 09:00 on Wednesday, 20 January 2021 in accordance with the Listings Requirements.
- The Underwriters are subject to equity ownership limitations. The Highbridge Funds are subject to a limitation of 19.9% and the Whitebox Funds are subject to a limitation of 24.9%. The Highbridge Funds currently hold between them 19.07% in Aveng and the Whitebox Funds currently hold between them 11.99% in Aveng. The Highbridge Funds and the Whitebox Funds, as Underwriters, will therefore be issued Aveng Ordinary Shares up to their respective shareholding limitations, and thereafter, Aveng Class A Shares (which do not carry voting rights but rank *pari passu* with Aveng Ordinary Shares in all other regards) in order to be able to underwrite the full value of the ZAR300 000 000 Rights Offer. Accordingly, the Shareholders approved the amendment to the memorandum of incorporation of the Company to create such Aveng A Class Shares on Wednesday, 20 January 2021 (as contemplated in the December 2020 Circular) and has been registered with the Companies and Intellectual Property Commission

on Wednesday, 27 January 2021 and as announced by the Company on SENS on Tuesday, 2 February 2021.

- In the opinion of the independent non-executive directors of the Board, in consultation with the Company's Transaction Advisor, the fees due to the Underwriters are not greater than the current market rate charged by independent underwriters in similar circumstances.
- Pursuant to the related party provisions of the Listings Requirements, the Company has ensured that good corporate governance procedures have been followed when negotiating the Underwriting Agreement, including consulting with its Transaction Advisors who prepared a report of commitment and underwriting fees charged in recent rights offers to confirm that the fees charged by the Underwriters are market related, specifically in light of the fact that the Underwriters are Shareholders. On consideration of said report compiled by the Transaction Advisors and having had sight of fees charged by independent underwriters in other rights offers in the market, the independent non-executive directors of the Board came to the view above that the fees due to the Underwriters are not greater than the current market rate charged by independent underwriters in similar circumstances.
- The Board, after due and careful enquiry are of the opinion that the Underwriters have sufficient resources to meet its financial commitments in terms of the Underwriting Agreement.
- No securities are offered as a preferential right to any person, other than as contemplated by virtue of the Rights Offer.
- Sworn affidavits by at least two of its directors of each Underwriter have been provided which confirm that they each have the financial resources to meet its commitments in terms of the Underwriting Agreement.
- Further particulars of the Underwriters are set out in **Annexure 2** to this Circular.

4.8 Working capital statement

The Board is satisfied that, following the raising of the additional ZAR300,000,000 in terms of the Rights Offer and the implementation of the Balance Sheet Restructure Transaction, the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months following the date on which this test was considered being 11 February 2021. As such, following both transactions, the liquidity, solvency and working capital of the Company will be adequate.

4.9 Excess applications

There will be no provision for excess applications.

4.10 Procedures for acceptance

- If you are a Qualifying Shareholder holding Certificated Shares and wish to subscribe for all or part of your entitlement in terms of the enclosed Form of Instruction, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it together with payment of the subscription price with the Transfer Secretaries at the addresses set out in the inside cover of this Circular, so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 12 March 2021. Once received by the Transfer Secretaries, the acceptance is irrevocable and may not be withdrawn.
- If payment is not received on or before 12:00 on Friday, 12 March 2021, the day of the closing of the Rights Offer, the Qualifying Shareholder will be deemed to have declined the Rights Offer and to subscribe for Rights Offer Shares pursuant to the Rights Offer.
- Qualifying Shareholders holding Certificated Shares are reminded of the postal restrictions resulting from COVID-19 and are advised that all Letters of Allocation will only be accepted via email. Accordingly, Qualifying Shareholders are advised to deliver their completed Forms of Instruction together with their proof of EFT payment and EFT swift reference number by electronic mail to the Transfer Secretaries as set out in the enclosed Form of Instruction and in accordance with the provisions of the section of this Circular titled "Action Required by Shareholders".
- If you are a Qualifying Shareholder and have Dematerialised your Ordinary Shares you will not receive a printed Form of Instruction. You should receive notification from your CSDP or broker regarding the Rights to which you are entitled in terms of the Rights Offer.
- If you are a Qualifying Shareholder holding Dematerialised Shares and wish to follow your Rights in respect of the Rights Offer, you are required to notify your duly appointed CSDP or broker of

your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker.

- Foreign Shareholders are referred to Annexure 4.
- **Aveng does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares.**

4.11 Payment

- **Payment by holders of Certificated Shares**

- The amount due on acceptance of the Rights Offer is payable in ZAR.
- **An EFT accompanied by an EFT swift reference number** (obtainable from Computershare Investor Services Proprietary Limited, at 0861 100 634 if calling from within South Africa; +27 11 370 5000 if calling from outside of South Africa; or via email at corporate.events@computershare.co.za), together with a properly completed Form of Instruction, should be clearly marked "Aveng Limited – Rights Offer", and emailed to:

Aveng Holdings Limited – Rights Offer

c/o Computershare Investor Services Proprietary Limited

corporate.events@computershare.co.za,

so as to be received by no later than 12:00 on Friday, 12 March 2021.

- Payments by way of cheques or bankers' drafts will not be accepted.
 - Money received in respect of an application that is rejected or otherwise treated as void by Aveng, or which is otherwise not validly received in accordance with the terms stipulated, will be refunded by way of EFT (without interest) in ZAR to the applicant concerned on or about Friday, 12 March 2021.
- **Payment by holders of Dematerialised Shares**
Payment will be effected on the Shareholder's behalf in ZAR by the CSDP or broker. The CSDP or broker will make payment in respect of Qualifying Shareholders holding Dematerialised Shares on a delivery *versus* payment basis.

4.12 PROCEDURES FOR SALE OR RENUNCIATION OF RIGHTS

- If you are a Qualifying Certificated Shareholder and do not wish to subscribe for all or part of the Rights Offer Shares to which you are entitled as reflected in the Form of Instruction, you may either dispose of or renounce all or part of your Letters of Allocation.
- If you wish to dispose of all or part of your Letters of Allocation, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 (SAST) on Friday, 12 March 2021. The Transfer Secretaries will endeavour to procure the sale of your Letters of Allocation on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. **In this regard, neither the Transfer Secretaries nor Aveng will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained or the failure to dispose of such Letters of Allocation.**
- If you wish to renounce all or part of your Letters of Allocation in favour of any named renounee, you must complete Form B in the enclosed Form of Instruction, and the renounee must complete Form C in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 (SAST) on Friday, 12 March 2021.
- If you are a Qualifying Dematerialised Shareholder and wish to dispose of or renounce some or all of your Letters of Allocation, you should make the necessary arrangements with your CSDP or broker in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker.

4.13 Exchange Control Regulations

- A summary of the application of the Exchange Control Regulations is included in **Annexure 3**. It is noted that all aspects contained herein and coming into effect as a result of the Balance Sheet Restructure Transaction have been approved by the South African Reserve Bank.
- Shareholders are however advised to consult their professional advisors in respect of their obligations pursuant to the Exchange Control Regulations.

4.14 JSE Listings

The Issuer Regulation Division of the JSE has approved the listing of 20 000 000 000 Aveng Ordinary Shares (less any applicable Aveng Class A Shares as referred to in the table in paragraph 4.7) comprising Rights Offer Shares with effect from the commencement of trade on Wednesday, 10 March 2021. The Aveng Class A Shares will not be listed.

4.15 Documents of title

- New Ordinary Share certificates to be issued to Qualifying Shareholders holding Certificated Shares who have opted to “rematerialise” their Dematerialised Rights Offer Shares to which they are entitled as contemplated in the section titled “Action Required By Shareholders”, will be posted to persons entitled thereto, by registered post, at the risk of the Shareholders concerned, on or about Monday, 15 March 2021, provided that the Form of Instruction in respect thereof has been provided to the Transfer Secretaries before 12:00 on Friday, 12 March 2021.
- Qualifying Shareholders receiving the Rights Offer Shares must note that such Certificated Shares are not good for delivery in respect of future trades on the JSE until they have been Dematerialised.
- Qualifying Shareholders holding Dematerialised Shares who have applied for, and been allotted, Ordinary Shares under the Rights Offer will have their accounts updated with the Rights Offer Shares to which they are entitled and in respect of which they have accepted the Rights Offer, on Monday, 15 March 2021.

4.16 Taxation

Shareholders are advised to consult their tax and financial advisors regarding any taxation implications pertaining to them regarding the acceptance of their Rights in terms of the Rights Offer.

5. EXPENSES

It is estimated that Aveng’s expenses relating to the Rights Offer will amount to approximately ZAR10,015,000. The expenses (excluding VAT) relating to the Rights Offer have been detailed below.

Nature of expense	Recipient	ZAR’000
JSE document inspection fee	JSE	37
JSE listing fee	JSE	188
Printing, publication and distribution	Ince	40
Legal advisor	Baker McKenzie	600
Transfer Secretaries	Computershare	150
<u>The Highbridge Funds’ underwriting fees</u>		
	Highbridge SCF	1,962
	Highbridge TCF	3,438
<u>The Whitebox Funds’ underwriting fees</u>		
	Pandora Select	675
	Whitebox Caja Blanca	1,350
	Whitebox GT	225
	Whitebox Multi	1,350
Total		10,015

Other than as set out above and in the December 2020 Circular, Aveng has incurred no preliminary expenses in relation to the Rights Offer during the three years preceding the date of this Circular all of which fees will be settled in cash, save for the fees paid to the Underwriters which will be settled through the issue of Aveng Ordinary Shares through a specific issue of shares at 1.5 cents per Aveng Ordinary Shares as approved by the Shareholders at the extraordinary general meeting held on Wednesday, 20 January 2021.

6. OVERVIEW OF THE BUSINESS

6.1 Overview of the business and prospects and opinion of the Board

The Shareholders are referred to the December 2020 Circular for information on the business of Aveng and the opinion of the Board in relation thereto and specifically in relation to the Rights Offer, which position has not varied materially from Friday, 18 December 2020. The interim financial statements of the Company will be issued on 23 February 2021.

Furthermore, as per the announcement by the Company to Shareholders on SENS on Monday, 30 November 2020, the following is a summary of the financial impact of the position of the Company following the implementation of the Balance Sheet Restructure Transaction, such transaction will result in:

- the introduction of ZAR300 million of new capital by way of the Rights Offer;
- the settlement of ZAR400 million of debt by way of issue of Aveng Ordinary Shares for cash at 5 cents per Aveng Ordinary Share;
- an increase of stated capital of ZAR700 million;
- a reduction in the Company's South African Lender debt and overdraft facility from ZAR2,1 billion to ZAR1,1 billion;
- the early settlement of debt at a discount in cash of ZAR210 million
- a net increase in liquidity of approximately ZAR90 million;
- a gain on settlement of debt of ZAR450 million;
- an extension to the Group's South African Lender debt maturity profile to December 2023; and
- a significant saving in ongoing interest expense.

6.2 Material loans

Save as impacted by the Rights Offer and the upcoming implementation of the Balance Sheet Restructure Transaction as noted in paragraph 6.1 above, the material loans of the Company are as set out in the annual financial statements of the Company for the financial year ended 30 June 2020 at notes 19 and 22, which position has not varied materially from Friday, 18 December 2020.

6.3 Risk factors

The risk factors of the Company are as set out on page 22 of the December Circular, which position has not varied materially from Friday, 18 December 2020.

6.4 Information relating to the directors and executive management of Aveng

• Directors and executive management

- Based on the Underwriting Agreement and the resultant Rights Offer, the Highbridge Funds will be entitled to nominate a non-executive director and the Whitebox Funds will be entitled to nominate a non-executive director, for appointment to the Board.
- Other than the above, there will be no variation in the Directors and/or the executive management of Aveng as a consequence of the Rights Offer.
- None of the Directors have been convicted of an offence involving dishonesty, declared bankrupt, insolvent or entered into voluntary compromise or arrangements, nor have they been publicly criticised by any statutory or regulatory authorities or disqualified by a court from acting as a director, manager or conducting the affairs of a company.
- There were no receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise with creditors generally or any class of creditors, where any Director is or was a director with an executive function of such company at the time of, or within 12 months preceding such events.

- **Directors' emoluments**

The remuneration receivable by the Directors as approved by the Shareholders at the annual general meeting on Wednesday, 20 January 2021 in terms of the Company remuneration policy will be amended in line with the MIP 2021 as approved by the Shareholders at the extraordinary general meeting held immediately before the annual general meeting, which will replace the previous long-term incentive plan for those executive-Directors who will participate in the MIP 2021. The impact of implementation of which will be as follows:

Name	Vesting	%	Type	No. of Shares in terms of MIP 2021	Expected % shareholding post Rights Offer subject to vesting and performance conditions
SJ Flanagan	Immediately	20%	Performance	240 000 000	0.46%
	24 months	15%	Retention	180 000 000	0.35%
		25%	Performance	300 000 000	0.58%
	36 months	15%	Retention	180 000 000	0.35%
		25%	Performance	300 000 000	0.58%
Total		100%	–	1 200 000 000	2.31%
AH Macartney	Immediately	20%	Performance	240 000 000	0.46%
	24 months	15%	Retention	180 000 000	0.35%
		25%	Performance	300 000 000	0.58%
	36 months	15%	Retention	180 000 000	0.35%
		25%	Performance	300 000 000	0.58%
Total		100%	–	1 200 000 000	2.31%

Performance awards are subject to the following vesting performance conditions set out below with the weighting of each measure and vesting percentage. The targets are to be finalised by the Board.

Criteria 30 June 2022 and 2023	Weighting
EBIT	35%
Cashflow conversion factor of EBIT	20%
ROCE	10%
Debt: EBITDA	15%
Debt repayment profile target (cumulative)	20%
	100%

The performance conditions for 30 June 2022 are subject to re-testing at 30 June 2023, should they not be met.

Subject to what is stated above, each of the executive Directors has concluded service contracts with terms and conditions that are standard for such appointments, which service contracts are available for inspection in terms of paragraph 10 of this Circular. The duration of each Director's appointment is determined by such agreement. The CEO's service contract was extended in 2020 and is aligned with the requirements of the MIP 2021 as set out in the December 2020 Circular.

- **Directors' interests in securities**

At the Last Practicable Date, the following Directors of Aveng (and their Associates), including directors who have resigned during the last 18 months, held, in aggregate, directly and indirectly, approximately 0%*+ of Aveng's issued Shares, as follows:

Name	Direct beneficial	Indirect beneficial	Total	% of Shares
AH Macartney	483 131	–	483 131	0*+
MJ Kilbride*	129 999	–	129 999	0*+
Total	129 999	–	129 999	0*+

*Non-Executive Director

*+ Less than 0.1%

- **Directors' dealings in securities**

The above directors intend to follow their Rights in terms of the Rights Offer, as the Rights Offer will not be launched during a closed period as the Company will be releasing its interim results on Tuesday, 23 February 2021.

- **Share capital**

The authorised and issued share capital of Aveng, before and after the Rights Offer is set out below:

	Stated Capital R'million
Authorised	
180 882 034 263 ordinary shares of no par value	9 044
500 000 000 000 class A ordinary shares of no par value	5 000
In issue before Rights Offer (including treasury shares)	
19 394 498 220 ordinary shares of no par value	3 874
Shares held in treasury	
24 853 833 ordinary shares of no par value*	*
Issued in terms of the Rights Offer	
12 748 726 467 ordinary shares of no par value	191
7 251 273 533 class A ordinary shares of no par value	109
Total	300

*Figures below ZAR1,000,000.

Note: the above figures assume all Rights Offer Shares are subscribed for exclusively by the Underwriters in terms of the Rights Offer. The overall total of 20 000 000 000 Rights and ZAR 300,000,000 subscription value will not change, except in the circumstances set out in section 4.7 (*Underwriting*). However, the Aveng Class A Shares will be lower and the Aveng Ordinary Shares will be higher should Qualifying Shareholders other than the Underwriters take up their Rights. Please refer to the table in paragraph 4.7 for further detail in this regard.

7. SHARE TRADING HISTORY

The share trading history of Aveng on the JSE up to the Last Practicable Date is set out in **Annexure 5** of the Circular.

8. RESPONSIBILITY STATEMENT

The Directors of Aveng, whose names appear on page 12 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular false or misleading, and that they have made all reasonable inquiries to ascertain

such facts, and that this Circular contains all information required by law and the Listings Requirements. All the Directors have read, and understand and agree with, the contents of this Circular and have authorised the Group Financial Director, by way of powers of attorney granted to him, to sign this Circular on their behalf.

9. CONSENTS

Each of the advisors whose names appear on the front cover of this Circular have consented and have not, prior to the Last Practicable Date, withdrawn their written consents to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

10. INCORPORATION OF INFORMATION BY REFERENCE

Paragraph 11.61 of the Listings Requirements allows for certain required information, ordinarily prescribed for inclusion into a circular to shareholders, to rather be incorporated by way of website referencing in terms of the December 2020 Circular available on the Aveng website at <https://aveng.co.za/circular.php> and the annual financial statements of the Company for the year ended 30 June 2020, available on the Aveng website at <https://www.aveng.co.za/results-announcements.php>.

In this regard, the Company's website has been set up to allow Shareholders, should they so wish, to review, read and download, *inter alia*, the information referenced in the December 2020 Circular. In accessing and utilising the Company's website, it is important to note that the Company makes available such information purely for the use by and convenience of the Shareholders and for no other purposes and, accordingly, accepts no responsibility for the use of any such information by any other person save for the purposes as hereinto explained.

11. DOCUMENTS AVAILABLE FOR INSPECTION

In light of the COVID-19 pandemic and the current national restrictions in place in order to prevent the spread of COVID-19, copies of the following documents will be available online for inspection, on request to the Company Secretary, using the email address noted below, during normal business hours, from the date of issue of this Circular until the date of the General Meeting:

- the audited financial statements of Aveng for the year ended 30 June 2020, 30 June 2019 and 30 June 2018;
- the MOI;
- a signed copy of this Circular;
- the December 2020 Circular
- executive directors' service contracts;
- a written consents of the Sponsor, Legal Advisor and Transaction Advisor;
- the Underwriting Agreement (as amended);
- extract of the minutes of the meeting of the Board authorising AH Macartney to sign this Circular; and
- Affidavits of directors of Underwriters.

In order to access the above documents, they will be mailed to any requesting shareholder who requests same during the above times to the following email address: info@avenggroup.com.

For and on behalf of the Board

AH Macartney
Group Financial Director

Acting under authority of the Board

Johannesburg
11 February 2021

TABLE OF ENTITLEMENT

The number of Rights Offer Shares to which Qualifying Shareholders will be entitled is set out below. Shareholders will be entitled to 103.12203 Rights Offer Shares for every 100 Aveng Ordinary Shares held. Shareholders' entitlements will be rounded to the nearest whole even number and only whole numbers of Rights Offer Shares will be issued, in accordance with the Listings Requirements.

No. of Aveng Ordinary Shares held	Rights Offer Entitlement	No. of Aveng Ordinary Shares Held	Rights Offer Entitlement	No. of Aveng Ordinary Shares Held	Rights Offer Entitlement	No. of Aveng Ordinary Shares Held	Rights Offer Entitlement
1	2	28	30	55	58	82	86
2	2	29	30	56	58	83	86
3	4	30	32	57	60	84	88
4	4	31	32	58	60	85	88
5	6	32	34	59	62	86	90
6	6	33	34	60	62	87	90
7	8	34	36	61	64	88	92
8	8	35	36	62	64	89	92
9	10	36	38	63	66	90	94
10	10	37	38	64	66	91	94
11	12	38	40	65	68	92	96
12	12	39	40	66	68	93	96
13	14	40	42	67	70	94	98
14	14	41	42	68	70	95	98
15	16	42	44	69	72	96	100
16	16	43	44	70	72	97	100
17	18	44	46	71	74	98	102
18	20	45	46	72	74	99	102
19	20	46	48	73	76	100	104
20	22	47	48	74	76	1 000	1 032
21	22	48	50	75	78	10 000	10 314
22	24	49	52	76	78	100 000	103 124
23	24	50	52	77	80	1 000 000	1 031 222
24	26	51	54	78	80	10 000 000	10 312 204
25	26	52	54	79	82	100 000 000	103 122 030
26	28	53	56	80	82	1 000 000 000	1 031 220 300
27	28	54	56	81	84	–	–

INFORMATION ON THE UNDERWRITERS

The Rights Offer has been fully co-underwritten by the Underwriters. Details pertaining to the Underwriters as required by the Listings Requirements are set out below:

HIGHBRIDGE TACTICAL CREDIT MASTER FUND, L.P.

1. NATURE OF BUSINESS

Exempted Limited Partnership. This company is an investment vehicle that houses ownership interests on behalf of its investors. The Highbridge Tactical Credit Master Fund, L.P. focuses on investments in public middle market companies.

2. DIRECTORS

General Partner: Highbridge GP, Ltd., a Cayman Islands exempted company. This company is owned by Highbridge GP, LLC, and Highbridge GP, Ltd. These are independent entities serving as directors to the underwriter. These entities are equally owned by Clive Harris and Richard Crawshaw. These entities are not affiliated with either Highbridge Capital Management LLC or JP Morgan Chase & Co.

3. COMPANY SECRETARY

N/A

4. DATE AND PLACE OF INCORPORATION

General Partner: Highbridge GP, Ltd., a Cayman Islands exempted company

5. REGISTRATION NUMBER

71441

6. REGISTERED OFFICE

No. 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

7. AUDITORS

PricewaterhouseCoopers

8. BANKERS

Bank of America

9. AUTHORISED SHARE CAPITAL

N/A

10. ISSUED SHARE CAPITAL

N/A

HIGHBRIDGE SCF SPECIAL SITUATIONS SPV, L.P.

1. NATURE OF BUSINESS

Exempted Limited Partnership. This company is an investment vehicle that houses ownership interests on behalf of investors. The Highbridge Strategic Credit Fund I focuses on special situation and distressed opportunities in the middle market and small capital space.

2. DIRECTORS

General Partner: Highbridge GP, Ltd., a Cayman Islands exempted company. This company is owned by Highbridge GP, LLC, and Highbridge GP, Ltd. These are independent entities serving as directors to the underwriter. These entities are equally owned by Clive Harris and Richard Crawshaw. These entities are not affiliated with either Highbridge Capital Management LLC or JP Morgan Chase & Co

3. COMPANY SECRETARY

N/A

4. DATE AND PLACE OF INCORPORATION

Cayman Islands, 8 August 2018

5. REGISTRATION NUMBER

97607

6. REGISTERED OFFICE

No. 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

7. AUDITORS

PricewaterhouseCoopers

8. BANKERS

Bank of America

9. AUTHORISED SHARE CAPITAL

N/A

10. ISSUED SHARE CAPITAL

N/A

THE WHITEBOX FUNDS

1. NATURE OF BUSINESS

Whitebox Advisors LLC (“**Whitebox Advisors**”) is the investment manager for Whitebox Multi, Pandora Select, Whitebox Caja Blanca and Whitebox GT. Whitebox Multi and Pandora Select are exempted limited partnerships domiciled in the Cayman Islands. Whitebox GT and Whitebox Caja Blanca are limited partnerships domiciled in the State of Delaware, United States of America. The Whitebox Funds are participating in the rights offering of Aveng. Whitebox Advisors exercises investment discretion and voting power with respect to the Aveng Ordinary Shares on behalf of the Whitebox Funds.

2. DIRECTORS

Paul Twitchell, Robert Vogel, Jacob Mercer and Paul Roos comprise the board of managers for Whitebox Advisors.

3. COMPANY SECRETARY

N/A

4. DATE AND PLACE OF INCORPORATION

Whitebox Advisors was formed on June 11, 1999 in Delaware, United States of America. Its principle place of business is located at 3033 Excelsior Boulevard, Suite 500, Minneapolis, MN 55416, United States of America.

5. REGISTRATION NUMBER

3055629

6. REGISTERED OFFICE

c/o Corporation Services Co.; 251 Little Falls Drive; Wilmington, Delaware, 19808, United States of America

7. AUDITORS

Ernst & Young

8. BANKERS

UBS AG and JP Morgan Chase

9. AUTHORISED SHARE CAPITAL

N/A

10. ISSUED SHARE CAPITAL

N/A

EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is, therefore, not comprehensive. If Shareholders are in any doubt as to the appropriate course of action they are advised to consult their professional advisor.

Pursuant to the Exchange Control Regulations and upon specific approval of the South African Reserve Bank, non-residents, excluding former residents, of the Common Monetary Area will be allowed to take up Rights allocated to them in terms of the Rights Offer.

All applications by non-residents for the above purposes must be made through an Authorised Dealer. Electronic statements issued in terms of Strate and any share certificates issued pursuant to such applications will be endorsed "non-resident".

Where a Right in terms of the Rights Offer becomes due to a former resident of the Common Monetary Area, which Right is based on Ordinary Shares blocked in terms of the Exchange Control Regulations, then only emigrant blocked funds may be used to take up the Rights allocated to them in terms of the Rights Offer.

All applications by emigrants using blocked funds for the above purposes must be made through the Authorised Dealer in South Africa controlling their blocked assets. Share certificates issued to such emigrants will be endorsed "non-resident" and placed under the control of the Authorised Dealer through whom the payment was made. Electronic statements issued in terms of Strate and any Rights Offer Share certificates issued pursuant to blocked ZAR transactions will be endorsed "non-resident" and placed under the control of the Authorised Dealer through whom the payment was made.

New Ordinary Share certificates issued pursuant to the Rights Offer to an emigrant will be endorsed "non-resident" and forwarded to the address of the relevant Authorised Dealer controlling such emigrant's blocked assets for control in terms of the Exchange Control Regulations. Where the emigrant's Ordinary Shares are in Dematerialised form with a CSDP or Broker, the electronic statement issued in terms of Strate will be despatched by the CSDP or the Broker to the address of the emigrant in the records of the CSDP or the Broker.

INFORMATION FOR FOREIGN SHAREHOLDERS

Any Shareholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction, should obtain advice as to whether any governmental and/or any other legal consent is required and/or any other formality must be observed to enable such a subscription to be made in terms of such Form of Instruction.

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer ("**Restricted Territories**") and this Circular and Form of Instruction should not be forwarded or transmitted by recipients thereof to any person in any territory other than where it is lawful to make such an offer.

United States of America

The Letters of Allocation and the Rights Offer Shares have not been and will not be registered under the Securities Act, 1933 ("**US Securities Act**") or under securities laws of any Restricted Territory and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States of America, except in respect of Qualified Institutional Buyers as contemplated under the US Securities Act ("**QIB**") pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States of America. Investors who are located in the United States of America will be required to execute and deliver an QIB investor letter ("**QIB Letter**"), a copy of which is available from Shareholders' CSDPs, prior to taking up or transferring Rights in the Rights Offer or acquiring Rights Offer Shares in the Rights Offer.

Shareholders who are required to submit a QIB Letter must do so by emailing same to edinah.mandizha@aveng.co.za on or before 12:00 on Friday, 5 March 2021.

Accordingly, the Company is not extending the Rights Offer into the United States of America unless an exemption from the registration of the US Securities Act is available, and subject to certain exceptions, this Circular neither constitutes nor will it constitute an offer or invitation to apply for, or an offer or an invitation to acquire, any Letters of Allocation or Rights Offer Shares in the United States of America.

Subject to certain exceptions, the Rights Offer circular will not be sent to any foreign Shareholder in, or with a registered address in, the United States of America. Subject to certain exceptions, any person who acquires Letters of Allocation or the Rights Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of the Rights Offer circular, taking up their Rights or accepting delivery of the Letters of Allocation or the Rights Offer Shares, that it is not, and that at the time of acquiring the Letters of Allocation or the Rights Offer Shares it will not be, in the United States of America or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the United States of America or any state of the United States of America.

In addition, until 40 days after the commencement of the Rights Offer, an offer, sale or transfer of the Rights Offer Shares or the Letters of Allocation within the United States of America by a dealer (whether or not participating in the Rights Offer) may violate the registration requirements of the US Securities Act. Subject to certain exceptions, Shareholders with a registered address in the United States of America will be treated as non-exercising holders and Aveng expects that the applicable Rights will be sold by the Transfer Secretaries on behalf of such Shareholders. The cash proceeds therefrom will be distributed to such Shareholders (net of applicable fees, expenses, taxes and charges), in proportion to such Shareholder's Right to the Rights Offer Shares.

There can be no assurances as to what price such Shareholders will receive for such disposal or the timing or exchange rate conversion of such receipt, to the extent applicable.

Although Letters of Allocation may be credited to the CSDP or Broker accounts of qualifying Dematerialised Shareholders:

- with a registered address, or resident, in one of the Restricted Territories;
- in the United States of America; or
- with a registered address, or who hold on behalf of persons located in the United States of America, or who hold on behalf of any person on a non-discretionary basis who is in the United States of America or any state of the United States of America, such crediting of letters of allocation does not constitute an offer to restricted Aveng shareholders and such restricted Aveng shareholders will not be entitled to take up or transfer Rights in the Rights Offer or acquire Rights Offer Shares in the Rights Offer unless such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Restricted Territories

Subject to certain exceptions, the letters of allocation and the Rights Offer Shares may not be transferred or sold to, or renounced or delivered in, the Restricted Territories.

No offer of Rights Offer Shares is being made by virtue of the Rights Offer circular into the Restricted Territories.

No person may forward or otherwise transmit the Rights Offer circular to any territory other than where it is lawful to make the Rights Offer contemplated in the Rights Offer circular.

Although letters of allocation may be credited to the CSDP or broker accounts of qualifying dematerialised Aveng Shareholders:

- with a registered address, or resident, in one of the Restricted Territories;
- in the United States of America; or
- with a registered address, or who hold on behalf of persons located in the United States of America, or who hold on behalf of any person on a non-discretionary basis who is in the United States of America, or any state of the United States of America, such crediting of Letters of Allocation does not constitute an offer to restricted Shareholders and restricted Shareholders will not be entitled to take up or transfer Rights in the Rights Offer or acquire Rights Offer Shares in the Rights Offer unless such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Subject to certain exceptions, Shareholders with a registered address in the Restricted Territories will be treated as non-exercising holders and Aveng expects that the applicable Rights will be sold by the Transfer Secretaries on behalf of such Shareholders.

The cash proceeds therefrom will be distributed to such Shareholders (net of applicable fees, expenses, taxes and charges) in proportion to such Shareholder's Right to the Rights Offer Shares. There can be no assurances as to what price such Shareholders will receive for such disposal or the timing or exchange rate conversion of such receipt to the extent applicable.

SHARE TRADING HISTORY OF AVENG SHARES

The trading history of Aveng Ordinary Shares on the JSE, for each day over the 30 days preceding the Last Practicable Date and for each month over the 12 months prior to the Last Practicable Date, is set out below:

Monthly						
Month number	Year	Date	High	Low	Volume	Value
Nov	2020	2020/11/30	0.03	0.02	346 841	2 429
Dec	2020	2020/12/01	0.03	0.02	791 579	3 621
Jan	2021	2020/12/02	0.03	0.02	2 231 062	3 245

Daily						
Day Number	Date	High	Low	Volume	Value	
1	2020/12/30	3.0	2.0	6 177	39	
2	2020/12/31	3.0	2.0	3 953	21	
3	2021/01/04	3.0	2.0	396 665	241	
4	2021/01/05	3.0	2.0	10 620	15	
5	2021/01/06	3.0	2.0	20 493	65	
6	2021/01/07	3.0	2.0	33 187	71	
7	2021/01/08	3.0	2.0	82 176	403	
8	2021/01/11	3.0	2.0	126 688	390	
9	2021/01/12	3.0	2.0	194 616	170	
10	2021/01/13	3.0	2.0	4 824	122	
11	2021/01/14	3.0	2.0	41 788	170	
12	2021/01/15	3.0	2.0	20 382	76	
13	2021/01/18	3.0	2.0	13 310	160	
14	2021/01/19	3.0	2.0	9 914	168	
15	2021/01/20	3.0	2.0	5 339	151	
16	2021/01/21	3.0	2.0	27 421	150	
17	2021/01/22	3.0	2.0	14 713	130	
18	2021/01/25	3.0	2.0	20 776	127	
19	2021/01/26	3.0	2.0	18 708	132	
20	2021/01/27	3.0	2.0	48 970	118	
21	2021/01/28	3.0	2.0	1 125 250	269	
22	2021/01/29	3.0	2.0	15 221	119	
23	2021/02/01	3.0	2.0	11 476	132	
24	2021/02/02	3.0	2.0	5 502	134	
25	2021/02/03	3.0	2.0	23 952	60	
26	2021/02/04	3.0	2.0	33 548	161	
27	2021/02/05	3.0	2.0	28 030	147	
28	2021/02/08	3.0	2.0	64 509	269	
29	2021/02/09	3.0	2.0	77 665	393	
30	2021/02/10	3.0	2.0	82 590	387	

THIS DOCUMENTS REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, please consult your stockbroker, banker, attorney, accountant or other professional advisor immediately.

Aveng has issued all letters of allocation in dematerialised form and the electronic record for Certificated Shareholders is being maintained by its transfer secretaries, Computershare Investor Services Proprietary Limited. This has made it possible for Certificated Shareholders to enjoy the same rights and opportunities with respect to the Form of Instruction as those Shareholders who have already Dematerialised their Ordinary Shares. You must complete this Form of Instruction and return it to the Transfer Secretaries, at the address below, if you wish take up all or part of your Rights in terms hereof.

Each amendment to this Form of Instruction must be signed in full and must not be initialed.

**EXCHANGE CONTROL
REGULATIONS
ENDORSEMENT**
(see page 3.13 paragraph 16)



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

- a fully-underwritten renounceable Rights Offer to Qualifying Shareholders in respect of 20 000 000 000 Rights Offer Shares at an issue price of 1.5 cents per Rights Offer Share, in the ratio of 103.12203 Rights Offer Shares, for every 100 Aveng Ordinary Shares held at the close of trade on Tuesday, 23 February 2021.

FORM OF INSTRUCTION IN RESPECT OF A LETTER OF ALLOCATION ("FORM OF INSTRUCTION")

2021

Declaration date	Tuesday, 16 February
Finalisation announcement released on SENS (before 11:00), on	Thursday, 18 February
Circular to be published on Aveng website	Monday, 22 February
Last day to trade in shares in order to participate in the Rights Offer (cum entitlement)	Tuesday, 23 February
Shares commence trading ex-entitlement at 09:00 on	Wednesday, 24 February
Listing of and trading in the Letters of Allocation under code AEGN and ISIN ZAE000295481 on the JSE commences at 09:00 on	Wednesday, 24 February
Circular and a Form of Instruction, where applicable, posted to Qualifying Certificated Shareholders on	Thursday, 25 February
Record Date at 17:00 on	Friday, 26 February
Rights Offer opens at 09:00 on	Monday, 1 March
In respect of Qualifying Certificated Shareholders, Letters of Allocation credited to an electronic account held with the Transfer Secretaries at 09:00 on	Monday, 1 March
Circular emailed to Qualifying Dematerialised Shareholders	Monday, 1 March
In respect of Qualifying Dematerialised Shareholders, CSDP or Broker accounts credited with Letter of Allocation at 09:00 on	Monday, 1 March
Last day to lodge Form of Instruction with the Transfer Secretaries in respect of Qualifying Certificated Shareholders (or their renounees) wishing to sell all or some of their Letters of Allocation by (12:00) on	Tuesday, 9 March
Last day to trade Letters of Allocation on the JSE	Tuesday, 9 March
Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00 on	Wednesday, 10 March
Rights Offer closes at 12:00 on	Friday, 12 March
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by Qualifying Certificated Shareholders wishing to renounce or subscribe for all or part of their entitlement at 12:00 on	Friday, 12 March
Record date for Letters of Allocation on	Friday, 12 March
Rights Offer Shares issued on	Monday, 15 March
In respect of Qualifying Dematerialised Shareholders (or their renounees), CSDP or Broker accounts debited with the aggregate Rights Offer Price and updated with Rights Offer Shares at 09:00 on	Monday, 15 March
In respect of Qualifying Certificated Shareholders (or their renounees), share certificates in respect of Rights Offer Shares posted on or about	Monday, 15 March
Results of the Rights Offer announced on SENS on	Monday, 15 March

Notes:

1. If you are a Qualifying Dematerialised Shareholder you are required to notify your duly appointed CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between yourself and your CSDP or Broker.
2. CSDPs effect payment on a delivery versus payment method in respect of Qualifying Dematerialised Shareholders.
3. Shareholders may not Dematerialise or rematerialise their Ordinary Shares between Wednesday, 24 February 2021, and Friday, 26 February 2021, both dates inclusive.
4. All times are South African times.
5. Share certificates will be posted by registered post at the risk of the Qualifying Certificated Shareholders (or their renounees).

Dear Shareholder,

1. THE RIGHTS OFFER

Shareholders recorded in the Register of the Company at the close of trade on Friday, 26 February 2021, are offered, on the terms and conditions stated in the Circular dated Monday, 22 February 2021 (which shall, if in conflict with the information set out below, take precedence) Rights to subscribe for Rights Offer Shares at a subscription price of 1.5 cents per Rights Offer Share in the ratio of 103.12203 Rights Offer Shares for every 100 Aveng Ordinary Shares held on the Record Date.

2. ALLOCATION (REFER TO THE FORM ATTACHED)

The Rights Offer Shares stated in Block (3) have been provisionally allocated for issue at a subscription price of 1.5 cents per Rights Offer Share to the Shareholder whose name is stated in Block (1).

3. ACCEPTANCE AND PAYMENT

- 3.1 If you wish to accept the Rights Offer you must complete Blocks (5) and (6) above.
- 3.2 If you are the person(s) in whose name(s) this Form of Instruction was issued and wish to subscribe for all the Rights Offer Shares allocated to you, complete the applicable blocks as stated above. Forms A, B and Form C of this Form of Instruction need not be completed.
- 3.3 If you are the person(s) in whose favour this Form of Instruction has been renounced and you wish to subscribe for the Rights Offer Shares, complete the applicable blocks as stated above as well as Form C of this Form of Instruction.
- 3.4 Payment of the ZAR value of the subscription price may be made by EFT into the designated bank account (kindly contact the Transfer Secretaries' call center for corporate actions on +27 11 370 5000 and, in South Africa only, 0861 100 634 to obtain banking details and reference number for the deposits.
- 3.5 If you wish to subscribe for Rights Offer Shares, a properly completed Form of Instruction, together with a EFT proof of payment (in accordance with 3.4 above) must be returned to the Transfer Secretaries, so as to be received by no later than Friday, 12 March 2021.
- 3.6 Such payment, when the EFT cleared into the designated bank account, will constitute acceptance of the Rights Offer upon the terms and conditions set out in the accompanying Circular and in this Form of Instruction.
- 3.7 No acknowledgement of receipt will be given for an EFT received in accordance with the Rights Offer.
- 3.8 **If this Form of Instruction and EFT proof of payment are not received as set out above, then the Rights Offer will be deemed to have been declined and the right to subscribe for the Rights Offer Shares offered to the addressee or renounced in favour of his/her renounee will lapse, no matter who then holds it.**

4. FOREIGN SHAREHOLDERS

Please refer to the "Note to Foreign Shareholders" section in the Circular prior to completing this Form of Instruction.

5. SALE OF RIGHTS

- 5.1 If you wish to sell all or some of your Rights, you must complete Form A of this Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than Tuesday, 9 March 2021.
- 5.2 The Transfer Secretaries will endeavour to procure the sale of rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries, nor any broker appointed by it nor Aveng will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such Rights.

6. JSE LISTING

The JSE has granted a listing for the Letters of Allocation in respect of 20 000 000 000 Rights Offer Shares with effect from the commencement of trading on Wednesday, 10 March 2021 to the close of trade on Friday, 12 March 2021, both days inclusive.

7. RENUNCIATION OF RIGHTS

- 7.1 If you are a Qualifying Certificated Shareholder and you do not wish to subscribe for the Rights Offer Shares allocated to you in terms of the Rights Offer, you may renounce your rights by signing Form B, and the Renounee who wishes to subscribe for the Rights Offer Shares in terms of the Rights Offer must complete Form C, lodge this Form of Instruction, and make payment, in terms of paragraph 3.4 above, for the number of Rights Offer Shares in respect of which the Rights Offer is accepted.
- 7.2 The lodging of this Form of Instruction, with Form B purporting to be signed by the Shareholder whose name appears thereon, will be taken to be conclusive evidence of the right of the holder:
 - to deal with this Form of Instruction; or
 - to have the Rights Offer Shares in question allotted and to receive a certificate for those shares.
- 7.3 Therefore, Aveng will not be obliged to investigate whether Forms B and C have been properly signed or completed or to investigate any fact surrounding the signing or lodging of either form.

8. EXCESS APPLICATIONS

There will be no provision for excess allocations.

9. EXCHANGE CONTROL REGULATIONS

- 9.1 Pursuant to the Exchange Control Regulations of South Africa and upon specific approval of the South African Reserve Bank, non-residents, excluding former residents, of the Common Monetary Area will be allowed to:
 - take up rights allocated to them in terms of the Rights Offer;
 - purchase Letters of Allocation on the JSE; and
 - subscribe for the Rights Offer Shares arising from the Letters of Allocation purchased on the JSE,
 - provided payment is received either through normal banking channels from abroad or from a non-resident account.
- 9.2 All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any Ordinary Share certificates issued pursuant to such applications will be endorsed "non-resident".

9.3 Where a right in terms of the Rights Offer becomes due to a former resident of the Common Monetary Area, which right is based on Aveng Ordinary Shares blocked in terms of the Exchange Control Regulations of South Africa, then only emigrant blocked funds may be used to:

- take up the rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE; and
- subscribe for the Rights Offer Shares arising from the Letters of Allocation purchased on the JSE.

9.4 Any Qualifying Shareholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such Form of Instruction.

9.5 All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Share certificates issued to such emigrants will be endorsed "non-resident" and placed under the control of the authorised dealer in foreign exchange through whom the payment was made. The proceeds due to emigrants from the sale of the Letters of Allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants' blocked accounts. Electronic statements issued in terms of Strate and any Rights Offer Share certificates issued pursuant to blocked Rand transactions will be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made. The proceeds arising from the sale of Letters of Allocation or arising from the sale of blocked Ordinary Shares will be credited to the blocked accounts of the emigrants concerned.

9.6 New Aveng Ordinary Share and/or Aveng Class A Share certificates issued pursuant to the Rights Offer to an emigrant will be endorsed "non-resident" and forwarded to the address of the relevant authorised dealer controlling such emigrant's blocked assets for control in terms of the Exchange Control Regulations of South Africa. Where the emigrant's Aveng Ordinary Share and/or Aveng Class A Shares are in dematerialised form with a CSDP or broker, the electronic statement issued in terms of Strate will be despatched by the CSDP or broker to the address of the emigrant in the records of the CSDP or broker.

10. DOCUMENTS OF TITLE

- 10.1 Share certificates to be issued to Qualifying Certificated Shareholders (or their renounees) in respect of those Rights Offer Shares to which they have validly subscribed, will be posted to persons entitled thereto, by registered post, at the risk of the recipient, on or about Monday, 15 March 2021.
- 10.2 Share certificates in respect of additional Rights Offer Shares allocated to Qualifying Certificated Shareholders (where applicable) will be posted to persons entitled thereto, by registered post, at the risk of the recipient, on or about Monday, 15 March 2021.

11. REFUNDS

Money received in respect of an application that is rejected or otherwise treated as void by Aveng, or which is otherwise not validly received in accordance with the terms stipulated, will be refunded by way of EFT (without interest) in ZAR to the applicant concerned on or about Monday, 15 March 2021.

By order of the Board

AVENG LIMITED

Johannesburg
11 February 2021

GENERAL INSTRUCTIONS AND CONDITIONS

- a) **Married persons:** Married persons wishing to exercise their rights must comply with the provisions of the Matrimonial Property Act No. 88 of 1984 (as amended) or the Civil Union Act No. 17 of 2006 (as amended) or customary law or the applicable matrimonial law, and proof of such person's capacity to exercise such rights may be required by the Transfer Secretary.
- b) **Powers of attorney:** If this form is signed under a power of attorney, then the original, or certified copy thereof, must be sent to the transfer secretaries for noting unless it has already been noted by Aveng or the Transfer Secretary.
- c) **Companies, close corporations or other incorporated entities:** A company or close corporation wishing to exercise its rights must send the original or certified copy of the directors' or members' resolution authorising the exercise of such rights to the Transfer Secretaries for noting.
- d) **Stamp of broking member of the JSE:** If any signature to Form B is confirmed by the stamp of a broking member of the JSE then a), b) or c) above, as the case may be, will not apply.
- e) **Deceased estates and trusts:** Rights Offer Shares will not be allotted in the name of an estate or a trust. Therefore, where the right to the Rights Offer Shares has accrued to the estate of a deceased holder or a trust, the executor or administrator or trustee (as the case may be) must complete Form B in his/her representative capacity and Form C must be completed by the person in whose name the Rights Offer Shares are to be allotted without any reference to the estate or the trust.
- f) **Joint holders:** Where applicable, all joint holders of Letters of Allocation must sign.
- g) **Receipts and documents:** No receipts will be given for completed Letters of Allocation and remittances. Original documents accompanying applications will be returned by the Transfer Secretary in due course, at the risk of the applicant.
- h) **Share certificates:** Aveng uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE and, therefore, will issue only one "block" share certificate for the Rights Offer Shares allotted by it to each acceptor of the offer.

All documentation to be forwarded to:

The Transfer Secretaries
AVENG LIMITED – Aveng Limited Transfer Secretaries
c/o Computershare Investor Services Proprietary Limited

Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, Johannesburg,
corporate.events@computershare.co.za

Stamp of selling broker
(if any) or stamp or name
and address of lodging
agent

FORM A: INSTRUCTION TO SELL

This form is to be signed by the offeree if the rights to the Rights Offer Shares are to be sold.

To the Directors,

AVENG LIMITED

I/We hereby instruct Computershare Investor Services Proprietary Limited to pay the proceeds, if any, of the sale of (insert number) Rights allocated to me/us in terms of this Form of Instruction (less fees calculated as follows: a dealing administration fee for trades greater than ZAR0.01 up to ZAR40,000.00 equal to ZAR155.84 inclusive of VAT and a further additional fee of 0.35% for trades greater than ZAR40,000.00 plus VAT (+ZAR155.84). A administration fee of ZAR100.00 will be levied in respect of the selling order.

Payment instruction:

By electronic funds transfer to the following bank account: **(certified copies of the bank statement and identification document must be attached to the Form of Instruction when payment via electronic funds transfer is requested and the same has not been submitted to the transfer secretaries to date).**

Name of bank

Account number

Branch code

In order to comply with the requirements of the Financial Intelligence Act 38 of 2001 (as amended), Computershare will be unable to record any change of address mandated unless the following documentation is received from the relevant Shareholder:

- An original certified copy of your identity document,
- An original certified copy of a document issued by the South African Revenue Services to verify your tax number, if you do not have one please submit this in writing and have the letter signed by a commissioner of oaths; and
- An original or an original certified copy of a service bill to verify your residential address.

PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETE OR IF CONFLICTING INSTRUCTIONS ARE GIVEN, AN EFT PAYMENT OF THE AMOUNT DUE WILL BE PAID TO THE ABOVE BANK ACCOUNT DETAILS.

Signed:

Signature(s) of offeree selling his/her rights

Assisted by me (where applicable) (all joint holders must sign)

Date:

Stamp of selling broker (if any) or stamp or name and address of lodging agent

FORM B: FORM OF RENUNCIATION

(To be signed by the shareholder named in Block (1) on the first page of this form if the right to the Rights Offer Shares are renounced.)

To the directors,

AVENG LIMITED

I/We hereby renounce my/our right to subscribe for (insert number) of the Rights Offer shares allocated to me/us as stated in **Block (3)** on the second page of this form in favour of the person(s) completing the registration application form **(Form C)** in relation to such shares.

Signed

Signature(s) of offeree selling his/her rights Assisted by me (where applicable) (all joint holders must sign)

Date

Stamp of selling broker (if any) or stamp or name and address of lodging agent

(Note: Renounees must attach a certified true copy of their identification document to the Form of Instruction when Form B: Form of renunciation is completed.)

FORM C: REGISTRATION APPLICATION FORM

This form to be completed in respect of the person(s) (ie the renounee(s)) in whose name(s) the Rights Offer shares are to be allotted).

ONCE THIS FORM HAS BEEN COMPLETED THIS FORM OF INSTRUCTION WILL NO LONGER BE NEGOTIABLE.

To the directors,

AVENG LIMITED

I/We hereby request you to allot the Rights Offer Shares comprised in this Form of Instruction and as indicated in Blocks (5), (6) and (7) hereof in the following name(s) upon the conditions set out in the accompanying circular, dated 18 February 2021 and subject to the Memorandum of Incorporation of Aveng.

I/We authorise you to place such name(s) on the register of Aveng shareholder in respect thereof. Surname(s) or name of company.

Mr/Mrs/Miss/Ms

First names in full

Postal address (preferably PO Box address)

Postal code

Telephone number (office hours): ()

Cellphone number:

Facsimile number: ()

Email address:

Signed

Signature(s) of offeree selling his/her rights

Assisted by me (where applicable) (all joint holders must sign)

Date

Stamp of selling broker (if any) or stamp or name and address of lodging agent

FORM D: POSTAL INSTRUCTIONS (to be completed only if you require a share certificate)

Certificated Shareholders accepting all the rights allocated to them in terms of the Rights Offer will receive their Rights Offer Shares in certificated form, which will not be good for delivery until they have been Dematerialised.

Certificated Shareholders should complete the section below.

Kindly post the relevant share certificate to the following address by registered post:

Name

Address

(If no specific instructions are given here, the Certificated Shares will be forwarded to the address as shown on the second page of this Form of Instruction.) A Shareholder wishing to collect his/her/their new share certificate from the Transfer Secretary must tick this block:

THIS FORM MUST BE RETURNED IN ITS ENTIRETY TO THE TRANSFER SECRETARIES:

Transfer Secretaries:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, Johannesburg
Gauteng, 2132)

Name and address of Shareholder	Account number
(1)	<i>Enquiries in connection with this Letter of Allocation should be addressed to the Transfer Secretaries, quoting the account number below:</i>

Number of Aveng Ordinary Shares deemed to be registered in your name at the close of business on the Record Date	Number of Rights Offer Shares to which you are deemed to be entitled in terms of the Rights Offer	Amount payable for the maximum number of Rights Offer Shares at 1.5 cents per Rights Offer Share
(2)	(3)	R (R(4) = (3) x 1.5 cents)

Acceptance of Rights Offer Shares	Number of Rights Offer Shares subscribed for	Total amount due at 1.5 cents per Rights Offer Share
<i>(the same or lesser number of Rights Offer Shares as the number in Block (3) of this form of instruction may be accepted)</i>	(5)	R (6) = (5) x 1.5 cents

Applicant's telephone number (office hours): () Cellphone number: ()

Facsimile number: () Email address: _____

Signature: _____ Date: _____ 2021