

# ANNEXURE A – SHARE CONSOLIDATION CIRCULAR

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions and interpretations commencing on page 6 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 shares, please forward this circular together with the notice of general meeting, to the purchaser of your shares, or the CSDP or broker or agent through whom the disposal was effected.
- The annual general meeting of Aveng, at which the resolutions regarding the capital restructuring in terms of which the proposals contained in this circular will be implemented and will be held entirely by electronic communication at 09:00 on Wednesday, 10 November 2021. The last day to trade and the record date on which an individual must be registered as a shareholder in the company's register for purposes of being entitled to attend and vote at the general meeting are Tuesday, 2 November 2021 and Friday, 5 November 2021, respectively.

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certificated shares as at the record date, you may attend and participate in the meeting electronically. Alternatively, you may appoint a proxy (who need not be a shareholder of the company) to represent you at the meeting. Any appointment of a proxy may be effected by using the form of proxy attached to the notice of the virtual annual meeting (to which this circular is attached as **Annexure A**) and, in order for the proxy to be effective and valid, must be completed and delivered in accordance with the instructions contained in the form of proxy.

If you hold dematerialised shares which are NOT registered in your name as at the voting record date:

- and wish to attend and participate at the meeting, you must obtain the necessary letter of representation to represent the registered shareholder of your shares from your CSDP or broker;
- and do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact the registered shareholder of your shares through your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the form of proxy.

**All participants at the meeting will be required to provide prior identification in accordance with section 61(3) of the Companies Act 71 of 2008.**

Copies of this circular, the Notice of Annual General Meeting and Integrated Report, in English, are available online at the following link: <https://www.aveng.co.za/annual-reports.php>; and, upon request, can be obtained from the registered office of the company and the offices of the transfer secretaries, the addresses of which are set out in the "Corporate information and advisers" section of this circular.

**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 ordinary shares to notify such beneficial owner of the details set out in this circular.**



## AVENG LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1944/018119/06)

Share code on the JSE: AEG ISIN: ZAE 000111829

("Aveng" or "the Company")

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## CIRCULAR TO AVENG SHAREHOLDERS

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relating to:

- **the restructuring of Aveng's authorised and issued share capital by consolidating its authorised and issued share capital on the basis of 1-for-500 by the consolidation of every 500 shares into 1 share;**

incorporating:

- **a form of surrender for the consolidation (to be used by certificated shareholders only).**

The directors, whose names are given on page 1 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 that have been omitted which would make any statement in this circular false or misleading; and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the Listings Requirements. All the advisers, whose names and reports are included in this circular, have given and have not withdrawn, prior to the publication of this circular, their written consents for the inclusion of their names and reports in the form and context in which they appear.



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# CORPORATE INFORMATION AND ADVISORS

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## Directors

Sean Flanagan (Group CEO)  
Adrian Macartney (Group FD)  
Philip Hourquebie (Independent Non-Executive Director)  
May Hermanus (Lead independent Non-Executive Director)  
Michael Kilbride (Independent Non-Executive Director)  
Bridgette Modise (Independent Non-Executive Director)  
Bradley Meyer (Independent Non-Executive Director)\*

\* *Australian citizen*

## 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 X 9000, Saxonwold, Johannesburg,  
Gauteng, 2132)

## Sponsor

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

**Date of incorporation:** 22 November 1944

**Place of incorporation:** South Africa

## Registered office and business address

3rd Floor  
10 The High Street  
Melrose Arch  
Gauteng, 2076

## Legal advisors

Alchemy Law Africa  
Block A  
7 Eton Road  
Sandhurst  
Johannesburg, 2196

*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>.*

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# ACTION REQUIRED BY SHAREHOLDERS

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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.

## **ACTION REQUIRED BY CERTIFICATED SHAREHOLDERS**

### **1. THE ANNUAL GENERAL MEETING BEING HELD ENTIRELY BY ELECTRONIC COMMUNICATION**

- 1.1** Aveng is permitted in terms of the Companies Act and Article 20 of Aveng's Memorandum of Incorporation to hold a shareholders' meeting entirely by electronic communication.
- 1.2** The decision has been taken by the board that it is appropriate to hold the general meeting entirely by electronic communication in accordance with the provisions of Article 20 of Aveng's Memorandum of Incorporation read with section 63(2) of the Companies Act.
- 1.3** For further information in respect of the annual general meeting being held entirely by electronic communication, please see the notice and the explanatory notes relating to the annual general meeting contained in the notice.

### **2. ALL SHAREHOLDERS**

If you have disposed of all your shares, please forward this circular, together with the notice, form of proxy, and form of surrender, to the purchaser of such shares or the broker, CSDP or other agent through whom you disposed of such shares.

### **3. IF YOU HAVE DEMATERIALIZED YOUR SHARES WITHOUT "OWN NAME" REGISTRATION**

#### **3.1 Voting at the general meeting**

- (a) Your CSDP or broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP or broker to ascertain how you wish to cast your vote at the meeting and thereafter to cast your vote in accordance with your instructions.
- (b) If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish them with your voting instructions.
- (c) If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP or broker.
- (d) You must **NOT** complete the form of proxy.

#### **3.2 Attendance and representation at the general meeting**

In accordance with the agreement between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the meeting electronically, or if you wish for a proxy to represent you at the meeting and your CSDP or broker will issue the necessary letter of representation for you or your proxy to attend the meeting.

### **4. IF YOU HAVE DEMATERIALIZED YOUR SHARES WITH "OWN NAME" REGISTRATION**

#### **4.1 Voting, attendance and representation at the meeting**

- (a) You may attend and vote at the meeting electronically.
- (b) Alternatively, you may appoint a proxy to represent you at the meeting by completing the form of proxy in accordance with the instructions it contains and returning it to the transfer secretaries, to be received by 09:00 on Monday, 8 November 2021, provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairman of the general meeting at any time before the appointed proxy exercises any shareholder rights at the general meeting.

## **5. IF YOU HAVE NOT DEMATERIALISED YOUR SHARES**

### **5.1 Voting, attendance and representation at the meeting**

- (a) You may attend and vote at the meeting electronically.
- (b) Alternatively, you may appoint a proxy to represent you at the meeting by completing the form of proxy in accordance with the instructions it contains and returning it to the transfer secretaries, to be received by 09:00 on Monday, 8 November 2021.

### **5.2 Recall of share certificates from certificated shareholders**

Subject to the passing of the special resolutions necessary for the implementation of the consolidation (and the registration of the relevant special resolutions by CIPC), it is necessary to recall the share certificates from certificated shareholders in order to replace them with certificates reflecting the consolidation and the new ISIN.

**If you wish to dematerialise your shares, please contact your CSDP or broker.**

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## SALIENT DATES AND TIMES OF THE CONSOLIDATION

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The definitions and interpretations commencing on page 6 of this circular apply, *mutatis mutandis*, to this section (unless specifically defined where used or the context indicates a contrary meaning).

2021

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Record date to be eligible to receive this circular and the notice of the annual general meeting	Friday, 1 October
Announcement providing details of the consolidation, giving salient dates, advising of the distribution of this circular and giving the date and place of the annual general meeting released on SENS on	Tuesday, 12 October
Circular, notice of annual general meeting, form of proxy and form of surrender, and Integrated Report distributed to shareholders	Tuesday, 12 October
Last day to trade to be on the register to be able to attend, participate in and vote at the electronic annual general meeting	Tuesday, 2 November
Record date in order to be eligible to attend, participate in and vote at the annual general meeting	Friday, 5 November
Last day for lodging forms of proxy in respect of the annual general meeting by 09:00 on	Monday, 8 November
Forms of proxy not lodged with transfer secretaries to be handed to the chairman of the annual general meeting, at any time before the proxy exercises any rights of the shareholder at the annual general meeting	Wednesday, 10 November
Electronic annual general meeting of shareholders to be held at 09:00 on	Wednesday, 10 November
Results of annual general meeting released on SENS on	Wednesday, 10 November
Special resolutions to be filed with the CIPC	Thursday, 11 November

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**PLEASE NOTE THAT THE DATES PROVIDED BELOW RELATING TO THE CONSOLIDATION ARE SUBJECT TO SPECIAL RESOLUTIONS BEING REGISTERED BY CIPC AND THE JSE BEING PROVIDED WITH A CERTIFIED COPY OF THE SPECIAL RESOLUTIONS AS REGISTERED BY CIPC. THE TIMETABLE BELOW IN RESPECT OF THE CONSOLIDATION WILL HAVE TO BE AMENDED SHOULD REGISTRATION OF THE RESOLUTIONS BY CIPC NOT HAVE BEEN RECEIVED BY THIS DATE.**

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Expected date of special resolutions registered by the CIPC by no later than	Monday, 29 November
Expected publication of finalisation announcement on SENS	Tuesday, 30 November
Expected last day to trade under the present share capital prior to the consolidation	Tuesday, 7 December
Expected date for trading in consolidated shares on the new ISIN ZAE000302618 and suspension of trading in shares on the old ISIN ZAE000111829	Wednesday, 8 December
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the volume weighted average price of consolidated shares traded on Wednesday, 8 December 2021, less 10%, by 11:00 am on	Thursday, 9 December
Forms of surrender for new certificates to be received by the transfer secretaries in order for previously certificated shareholders to have their entitlements credited to their account with Computershare Nominees on Monday, 13 December 2021, by 12:00 on	Friday, 10 December
Expected record date	Friday, 10 December
Dematerialised shareholders will have their accounts at their CSDP or broker updated and will receive fraction allocation payments on	Monday, 13 December
Date that previously certificated shareholders will have their entitlements credited to their accounts within Computershare Nominees	Monday, 13 December

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**Notes:**

1. The specified dates and times are South African and are subject to amendment. Any such amendment will be released on SENS and published in the South African press.
2. Shares in the consolidated form may not be dematerialised after the last day to trade prior to the consolidation, expected to be Tuesday, 7 December 2021.

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## DEFINITIONS AND INTERPRETATIONS

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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:

<b>“authorised dealer”</b>	a person authorised to deal in foreign exchange as contemplated in the exchange control regulations;
<b>“authorised share capital”</b>	180,882,034,263 ordinary shares and 500,000,000,000 Aveng class A shares;
<b>“Aveng” or “company”</b>	Aveng Limited, registration number 1944/018119/06;
<b>“Aveng class A share”</b>	an unlisted A class, no par value, redeemable, non-participating, non-voting convertible share in the share capital of Aveng, that ranks <i>pari passu</i> with the ordinary shares in all other respects;
<b>“Aveng class A shareholder”</b>	the registered holder of an Aveng class A share as at the voting record date;
<b>“board”</b>	the board of directors, which, as at the last practicable date, comprised the persons whose names appear on page 1 of this circular;
<b>“business day”</b>	any day other than Saturday, Sunday or any official public holiday in South Africa;
<b>“certificated shareholders”</b>	holders of certificated shares;
<b>“certificated shares”</b>	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;
<b>“CIPC”</b>	Companies and Intellectual Property Commission;
<b>“circular”</b>	this bound document, dated Tuesday, 12 October 2021, including the form of surrender attached hereto;
<b>“common monetary area”</b>	consists of Lesotho, Namibia, South Africa and eSwatini;
<b>“the consolidation”</b>	the consolidation of the authorised and issued share capital of the company on the basis of 1-for-500, which consolidation is expected to become effective on Wednesday, 8 December 2021;
<b>“consolidation declaration date”</b>	the date on which the consolidation was announced, namely Tuesday, 12 October 2021;
<b>“consolidation last day to trade”</b>	close of business on Tuesday, 7 December 2021, expected to be the last day to trade to be recorded as a shareholder under the present Aveng share capital by the consolidation record date;
<b>“consolidation record date”</b>	close of business on Tuesday, 7 December 2021, expected to be the record date to determine those shareholders whose shares will be subject to the consolidation;
<b>“CSDP”</b>	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;



“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”	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;
“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;
“form of proxy”	for purposes of the annual general meeting, the form of proxy attached to the notice for use only by certificated shareholders and own-name dematerialised shareholders;
“form of surrender”	the form of surrender for use by certificated shareholders in order for such shareholders to exchange their existing documents of title for new documents of title reflecting the consolidation;
“general meeting” or “the meeting” or “annual general meeting”	the annual general meeting of shareholders to be held electronically on Wednesday, 10 November 2021;
“group”	collectively, Aveng and its subsidiaries;
“Integrated Report”	the Integrated Report for the year ended 30 June 2021 which is available on <a href="https://www.aveng.co.za/annual-reports.php">https://www.aveng.co.za/annual-reports.php</a> ;
“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”	Tuesday, 5 October 2021, being the last practicable date prior to the finalisation of this circular;
“Listings Requirements”	Listings Requirements of the JSE, as amended from time to time by the JSE;
“notice”	the notice of the virtual annual general meeting to be held electronically on Wednesday, 10 November 2021, to which this circular is attached as <b>Annexure A</b> ;
“ordinary share”	an ordinary no par value share in the share capital of Aveng;
“ordinary shareholder”	the registered holder of an ordinary share as at the voting record date;
“participant”	a shareholder or proxy who has been furnished with a user name and unique nine-digit code reflecting the number of shares entitled to vote and who is accordingly entitled to participate at the general meeting;

<b>“participate” or “participation”</b>	attending, asking questions electronically and / or making one or more comments electronically and / or voting electronically at the general meeting;
<b>“register”</b>	the register of certificated shareholders maintained by Aveng and the sub-registers of dematerialised shareholders maintained by the relevant CSDPs;
<b>“SENS”</b>	Stock Exchange News Service of the JSE;
<b>“shareholders”</b>	ordinary shareholders and Aveng class A shareholders;
<b>“shares” or “Aveng shares”</b>	ordinary shares and / or Aveng A class shares in the authorised and issued share capital of Aveng;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Strate”</b>	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;
<b>“transfer secretaries”</b>	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa;
<b>“VAT”</b>	Value Added Tax, payable in terms of the Value Added Tax Act, 1991 (Act 89 of 1991), as amended;
<b>“voting record date”</b>	Friday, 5 November 2021, expected to be the record date to be recorded as a shareholder to be able to participate and vote at the general meeting;
<b>“VWAP”</b>	volume-weighted average price.



## AVENG LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1944/018119/06)

Share code on the JSE: AEG ISIN: ZAE 000111829

("Aveng" or "the Company")

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# CIRCULAR TO AVENG SHAREHOLDERS

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## 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1. On Tuesday, 12 October 2021 Aveng announced the proposed restructuring of the company's authorised and issued share capital. This circular contains information on the consolidation of share capital which requires the approval of shareholders in a meeting as follows:
  - 1.1.1. in relation to the consolidation of the ordinary shares, the approval by way of a special resolution of the ordinary shareholders only;
  - 1.1.2. in relation to the consolidation of the Aveng class A shares, the approval by way of a special resolution of the Aveng class A shareholders only; and
  - 1.1.3. in relation to the amendment to the Memorandum of Incorporation of Aveng to give effect to consolidation of the (i) ordinary shares, and (ii) Aveng class A Shares, by way of a special resolution of the ordinary shareholders only.
- 1.2. The effects of the resolutions are to consolidate the share capital of Aveng on the basis of 1-for-500 shares, from an authorised share capital of 180,882,034,263 ordinary shares and 500,000,000,000 Aveng A class shares to 361,764, 068 ordinary shares and 1,000,000,000 Aveng A class shares and an issued share capital of 62,263,682,419 ordinary shares and 2,477,989,637 Aveng A class shares to 124,527,364 ordinary shares and 4,955,979 Aveng A class shares.
- 1.3. A table of entitlement in respect of the consolidation has been included as **Annexure 1** to this circular.
- 1.4. The purpose of this circular is to provide shareholders with the details of the consolidation, including the salient terms and all the relevant information for the implementation of the consolidation of the company's share capital on the basis of 1-for-500 ordinary shares and a change of the value per share from 5 cents each to 2,500 cents each.

## 2. RATIONALE FOR THE CONSOLIDATION

The consolidation is being proposed for the following reasons:

- 2.1. In the opinion of the Board, shares that trade below R 1.00 have a much higher spread between the bid-to-buy price and the offer-to-sell price which can result in significant movements in the share price on small volumes traded. This in turn causes instability in the market capitalisation of the company and ultimately effects shareholder value. This may therefore discourage potential investors.
- 2.2. In the view of the Board, by consolidating the number of shares, it is expected that there will be a narrowing of the spread between the bid-to-buy price and the offer-to-sell price resulting in a more stable market capitalisation of the company and allowing for increased liquidity in the shares.
- 2.3. This has the effect of:
  - 2.3.1. providing additional confidence to existing shareholders; and
  - 2.3.2. increasing the attractiveness of the company to potential investors.

### **3. THE CONSOLIDATION**

#### **3.1. Salient dates and procedures to be followed by shareholders**

- 3.1.1. Subject to the approval and implementation of the consolidation (the latter of which is dependent on the registration of the relevant special resolutions by CIPC), the attention of shareholders is drawn to the following proposed closing dates:
  - 3.1.1.1. the results of the general meeting will be released on SENS on Wednesday, 10 November 2021;
  - 3.1.1.2. the last day to trade in Aveng shares on the JSE in order to be recorded as a shareholder by the consolidation record date is expected to be Tuesday, 7 December 2021;
  - 3.1.1.3. trading in the shares under the new consolidated share capital is expected to commence on Wednesday, 8 December 2021; and
  - 3.1.1.4. the record date for purposes of determining those shareholders whose shares will be subject to the consolidation is expected to be Tuesday, 7 December 2021.

#### **3.2. Further details relating to the consolidation**

- 3.2.1. Subject to the approval and implementation of the consolidation:
  - 3.2.1.1. fractions of consolidated shares will not be issued. In the case of fractional entitlements, all allocations of shares will be rounded down to the nearest whole number resulting in allocations of whole shares;
  - 3.2.1.2. the consolidation will be effective on Wednesday, 8 December 2021;
  - 3.2.1.3. theoretically, the consolidation will increase Aveng's market price, earnings and net asset value per share by the consolidation factor of 500. On the last practicable date, Aveng's closing share price on the JSE was 5 cents per share. Consequently, Aveng's theoretical closing share price after the consolidation should be 2,500 cents per share. Accordingly, as a consequence of the consolidation, Aveng's theoretical aggregate market capitalisation should not change.

#### **3.3. Fractions**

- 3.3.1. In terms of the Listings Requirements, the applicable cash payment in respect of fractional entitlements will be determined with reference to the VWAP of consolidated shares traded on the JSE on Wednesday, 8 December 2021, less 10%.
- 3.3.2. The above value to be used for calculating cash payments for fractional entitlements will be announced on SENS on Thursday, 9 December 2021, by 11:00.

#### **3.4. Recall of share certificates from certificated shareholders**

- 3.4.1. Subject to the passing of the special resolutions necessary for the consolidation (and the registration of the relevant special resolutions by CIPC), it is necessary to recall the share certificates from certificated shareholders in order to replace them with certificates reflecting the consolidation.
- 3.4.2. Certificated shareholders are requested to complete the attached form of surrender for the consolidation in accordance with the instructions it contains and return it to the transfer secretaries.
- 3.4.3. To facilitate the timeous receipt by certificated shareholders of replacement share certificates, certificated shareholders who wish to anticipate the implementation of the consolidation and who do not wish to deal in their existing shares prior to the consolidation, are requested to surrender their share certificates to the transfer secretaries by completing the attached form of surrender for the consolidation in accordance with the instructions it contains and return it to the transfer secretaries.
- 3.4.4. Share certificates so received will be held by the transfer secretaries pending the consolidation being approved by shareholders at the meeting. In the event that the consolidation is not approved, the transfer secretaries will, within five business days thereafter, return the certificates to the certificated shareholders concerned, by post, at the risk of such shareholders.

- 3.4.5. In the event that the consolidation is approved by shareholders, the special resolutions are registered by CIPC, the transfer secretaries will, within five business days after receipt thereof, but not earlier than 12:00, Friday, 10 December 2021, place the certificated shareholders in a nominee account with the transfer secretaries' CSDP, under a non-tradeable class exactly the same as the current share certificates, at the risk of such shareholders. All rights and entitlements will remain those of the previously certificated shareholders. The previously certificated shareholders will not be able to trade until they either provide their broker/CSDP details or open an account with the transfer secretaries' CSDP.
- 3.4.6. In the event that certificated shareholders do not complete the attached form of surrender for the consolidation and who later wish to obtain a share certificate at the consolidation value, such shareholders will be required to return their share certificates to the transfer secretaries together with certified copies of identity documents, if in own name, or if otherwise, certified copies of company/trust documents.
- 3.4.7. If any documents of title of shareholders have been lost or destroyed and the shareholder concerned produces evidence to this effect to the satisfaction of Aveng, then the company may dispense with the surrender of such existing documents of title against provision of an acceptable indemnity.
- 3.4.8. Shareholders holding shares in certificated form are reminded that they may only deal in their shares on the JSE once their shares have been dematerialised.

### **3.5. Exchange Control Regulations**

In the case of certificated shareholders whose registered addresses in the company's share register in South Africa are outside the common monetary area, or where the relevant certificates are restrictively endorsed in terms of the exchange control regulations, the following will apply:

#### **3.5.1. *Non-residents who are emigrants from the common monetary area***

The replacement share certificate reflecting the consolidation will be restrictively endorsed in terms of the exchange control regulations and will be sent to the shareholders' authorised dealer in foreign exchange in South Africa controlling their blocked assets.

#### **3.5.2. *All other non-residents***

The replacement share certificate reflecting the consolidation will be restrictively endorsed "non-resident" in terms of the exchange control regulations.

### **3.6. Dematerialised shareholders**

Shareholders holding dematerialised shares must not do anything as their accounts at their CSDP or broker will be automatically updated.

### **3.7. Amendment of the MOI**

3.7.1. If shareholders approve the consolidation, Aveng's Memorandum of Incorporation will have to be amended to reflect the relevant changes to the company's share capital structure.

Ordinary shareholders will accordingly be requested to also approve the requisite special resolution to amend the Memorandum of Incorporation of Aveng.

#### 4. SHARE CAPITAL

In order to restructure the share capital of the company, it is intended that the authorised and issued share capital of Aveng be consolidated on the basis of 1 share for every 500 shares held. The authorised and issued share capital, before and after the consolidation is shown below:

<b>Before the consolidation</b>	<b>R'm</b>
<b>Authorised</b>	
180,882,034,263 ordinary shares of no par value	9 044
500,000,000,000 class A shares of no par value	5 000
<b>Issued</b>	
62,263,682,419 ordinary shares of no par value	4 710
2,477,989,637 A shares of no par value	37
<b>After the consolidation</b>	
<b>Authorised</b>	
361,764,068 ordinary shares of no par value	9 044
1,000,000,000 A shares of no par value	5 000
<b>Issued</b>	
124,527,364 ordinary shares of no par value	4 710
4,955,979 A shares of no par value	37

The JSE has granted approval for the amendment of Aveng's listing and the effective date for the alteration to the share capital is expected to be Wednesday, 8 December 2021.

#### 5. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page 1 of this circular, individually and collectively, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement in this circular false or misleading and that all reasonable enquiries to ascertain such facts have been made. This circular, together with the information relating to this circular contained in the notice, contains all information required by law and the Listings Requirements.

#### 6. ADVISERS' CONSENTS

The sponsor, corporate law adviser and the transfer secretaries have all consented, in writing, to act in the capacities stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular.

#### 7. ANNUAL GENERAL MEETING AND VOTING

- 7.1. The annual general meeting of shareholders of Aveng will be held electronically on Wednesday, 10 November 2021 at 09:00. One of the purposes of the meeting is to obtain the necessary approvals required to give effect to the consolidation
- 7.2. The notice of the general meeting to which this circular is attached as **Annexure A** forms part of this circular and contains the resolutions to be considered at the annual general meeting.
- 7.3. At the general meeting:
  - 7.3.1. ordinary shareholders will be asked to consider and approve, *inter alia*, a special resolution authorising the consolidation of the authorised and issued ordinary share capital of Aveng on a 1-for-500 basis; and
  - 7.3.2. Aveng class A shareholders will be asked to consider and approve, *inter alia*, a special resolution authorising the consolidation of the authorised and issued Aveng A class share capital of Aveng on a 1-for-500 basis; and
  - 7.3.3. ordinary shareholders will be asked to consider and approve, *inter alia*, a special resolution to amend the memorandum of incorporation of Aveng to give effect to the consolidation of (i) the ordinary shares; and (ii) Aveng class A shares as provided for above.

- 7.4. The last day to trade and the record date which an individual must be registered as a shareholder in the company's register for purposes of being entitled to attend and vote at the meeting is Tuesday, 2 November 2021, and Friday, 5 November 2021, respectively.
- 7.5. **If you are a registered shareholder as at the voting record date**, you may attend the meeting electronically. Alternatively, you may appoint a proxy (who need not be a shareholder of the company) to represent you at the meeting. Any appointment of a proxy may be affected by using the form of proxy, and, in order for the proxy to be effective and valid, must be completed and delivered in accordance with the instructions contained in the form of proxy.
- 7.6. **If you are a beneficial shareholder and not a registered shareholder as at the voting record date:**
- 7.6.1. and wish to attend the meeting, you must obtain the necessary letter of representation to represent the registered shareholder of your shares from your CSDP or broker:
- 7.6.2. and do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact the registered shareholder of your shares through your CSDP or broker and furnish them with your voting instructions,
- 7.6.3. you must **not** complete the form of proxy.
- 7.7. All participants at the meeting will be required to provide a valid passport, identity card/document, driver's licence or other form of identification reasonably satisfactory to the chairman of the meeting.

## 8. RESOLUTIONS PERTAINING TO THE CONSOLIDATION

### 8.1. Special Resolution 1 – Consolidation of authorised and issued ordinary share capital of the company:

*“RESOLVED THAT, subject to the passing of Special Resolution 2 and Special Resolution 3, the company's authorised ordinary share capital be consolidated on the basis of 1-for-500 shares held, from an authorised ordinary share capital of 180,882,034,263 ordinary shares to 361,764,068 ordinary shares. The issued ordinary share capital of 62,263,682,419 ordinary shares to be consolidated to 124,527,364 ordinary shares.”*

Only ordinary shareholders will be entitled to vote on this resolution. The resolution requires at least 75% of the ordinary shareholders voting on it to be passed.

### 8.2. Reason for and effect

The reason and effect of special resolution 1 is to consolidate the existing authorised and issued ordinary share capital to enable Aveng to restructure the ordinary share capital of the company and reposition the group going forward in order to attract new investment and improve tradability of the ordinary shares. The consolidation is being implemented for the following reasons:

- (i) In the opinion of the Board, shares that trade below R 1.00 have a much higher spread between the bid-to-buy price and the offer-to-sell price which can result in significant movements in the share price on small volumes traded. This in turn causes instability in the market capitalisation of the company and ultimately effects shareholder value. This may therefore discourage potential investors.
- (ii) In the view of the Board, by consolidating the number of shares, it is expected that there will be a narrowing of the spread between the bid-to-buy price and the offer-to-sell price resulting in a more stable market capitalisation of the company and allowing for increased liquidity in the shares.

This has the effect of:

- (i) providing additional confidence to existing shareholders; and
- (ii) increasing the attractiveness of the company to potential investors.

### 8.3. Special Resolution 2 – Consolidation of authorised and issued Aveng A class share capital of the company:

*“RESOLVED THAT, subject to the passing of Special Resolution 1 and a Special Resolution 3, the Company's authorised class A share capital be consolidated on the basis of 1-for-500 shares held, from an authorised A class share capital of 500,000,000,000 A class shares to 1,000,000,000 class A shares. The issued class A share capital of 2,477,989,637 class A shares to be consolidated to 4,955,979 class A shares.”*

Only Aveng class A shareholders will be entitled to vote on this resolution. The resolution requires at least 75% of the Aveng class A shareholders voting on it to be passed.

#### **8.4. Reason for and effect**

Class A shares are unlisted redeemable non-participating, non-voting convertible shares that rank *pari passu* with the ordinary shares in all other respects, therefore class A shares are treated the same as ordinary shares. The reasons set out in paragraph 8.2, are equally applicable to Special Resolution 2.

#### **8.5. Special Resolution 3 – Amendment of the Aveng Memorandum of Incorporation**

*“RESOLVED THAT, subject to the passing of Special resolution 1 and Special Resolution 2, clause 7.1.1 and clause 7.1.3 of the Company’s Memorandum of Incorporation be amended to give effect to the implementation of the consolidation approved in terms of Special Resolution 1 and Special Resolution 2.”*

Only ordinary shareholders will be entitled to vote on this resolution. The resolution requires at least 75% of the ordinary shareholders voting on it to be passed.

#### **Reason for and effect**

The reason and effect of this resolution is for the ordinary shareholders to also approve (to the extent required) the amendment of the Company’s Memorandum of Incorporation to implement the consolidation approved in terms of (i) Special Resolution 1; and (ii) Special Resolution 2.

### **9. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by shareholders electronically at the following link: <https://www.aveng.co.za/annual-reports.php>; and, upon written request by any of the shareholders, at the registered office of the company, during normal business hours from the date of posting this circular up to and including the general meeting (both days inclusive):

- 9.1.** the MOI;
- 9.2.** the written consents of the advisers referred to in paragraph 6; and
- 9.3.** a copy of this circular.

**SIGNED AT JOHANNESBURG ON 12 OCTOBER 2021 BY ADRIAN MACARTNEY ON BEHALF OF ALL THE DIRECTORS OF AVENG LIMITED, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS**



**Adrian Macartney**

Sean Flanagan  
Philip Hourquebie  
May Hermanus  
Michael Kilbride  
Bridgette Modise  
Bradley Meyer



## TABLE OF ENTITLEMENT

In the case of fractional entitlements, all allocations of Shares will be rounded down to the nearest whole number resulting in allocations of whole shares together with a cash payment for the fraction to be paid out to Shareholders. The table of entitlement of Shareholders, based on the consolidation ratio of 500 Shares to 1 Share held on the record date, is set out below:

<b>Number of shares held</b>	<b>Number of shares entitled</b>	<b>Number of shares held</b>	<b>Number of shares entitled</b>	<b>Number of shares held</b>	<b>Number of shares entitled</b>
1	–	42	–	83	–
2	–	43	–	84	–
3	–	44	–	85	–
4	–	45	–	86	–
5	–	46	–	87	–
6	–	47	–	88	–
7	–	48	–	89	–
8	–	49	–	90	–
9	–	50	–	91	–
10	–	51	–	92	–
11	–	52	–	93	–
12	–	53	–	94	–
13	–	54	–	95	–
14	–	55	–	96	–
15	–	56	–	97	–
16	–	57	–	98	–
17	–	58	–	99	–
18	–	59	–	100	–
19	–	60	–	200	–
20	–	61	–	400	–
21	–	62	–	500	1
22	–	63	–	525	1
23	–	64	–	550	1
24	–	65	–	575	1
25	–	66	–	600	1
26	–	67	–	1 000	2
27	–	68	–	2 000	4
28	–	69	–	3 000	6
29	–	70	–	5 000	10
30	–	71	–	10 000	20
31	–	72	–	50 000	100
32	–	73	–	100 000	200
33	–	74	–	500 000	1 000
34	–	75	–	1 000 000	2 000
35	–	76	–	5 000 000	10 000
36	–	77	–	10 000 000	20 000
37	–	78	–	50 000 000	100 000
38	–	79	–	100 000 000	200 000
39	–	80	–	500 000 000	1 000 000
40	–	81	–	1 000 000 000	2 000 000
41	–	82	–	5 000 000 000	10 000 000



## AVENG LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1944/018119/06)

Share code on the JSE: AEG ISIN: ZAE 000111829

("Aveng" or "the Company")

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# FORM OF SURRENDER FOR THE CONSOLIDATION

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(For completion by shareholders who have not dematerialised their shares)

Expressions used in this form of surrender shall, unless the context requires otherwise, bear the same meanings as in the circular to shareholders, dated Tuesday, 12 October 2021.

### 1. INSTRUCTIONS

- 1.1. Subject to the passing of the special resolution necessary for the consolidation, it is necessary to recall the share certificates from certificated shareholders in order to replace them with certificates reflecting the consolidation.
- 1.2. To facilitate the timeous receipt by certificated shareholders of replacement share certificates, certificated shareholders who wish to anticipate the implementation of the consolidation and who do not wish to deal in their existing shares prior to the consolidation, are requested to surrender their share certificates to the transfer secretaries by completing this form of surrender in accordance with the instructions it contains and return it to the transfer secretaries:

#### **Computershare Investor Services Proprietary Limited**

Rosebank Towers

15 Biermann Avenue

Rosebank

Johannesburg, 2196

(Private Bag X 9000, Saxonwold, Johannesburg, Gauteng, 2132)

- 1.3. Share certificates so received will be held by the transfer secretaries pending the consolidation being approved by shareholders at the general meeting. In the event that the consolidation is not approved, the transfer secretaries will, within five business days thereafter, return the certificates to the certificated shareholders concerned, by registered post, at the risk of such shareholders.
- 1.4. In the event that the consolidation is approved and implemented, the transfer secretaries will, within five business days after receipt thereof, but not earlier than 12:00 on Friday, 10 December 2021 (which date is subject to the registration of the special resolution in respect of the consolidation by CIPC and the proof of registration having been provided to the JSE by Monday, 29 November 2021) or such later date as may be approved by the JSE and notified to shareholders by way of a release on SENS, place the certificated shareholders in a nominee account with the transfer secretaries' CSDP under a non-tradeable class exactly the same as the current share certificates, at the risk of such shareholders. All rights and entitlements will remain those of the previously certificated shareholders. The previously certificated shareholders will not be able to trade until they either provide their broker/CSDP details or open an account with the transfer secretaries' CSDP.
- 1.5. In the event that certificated shareholders do not complete this form of surrender and who later wish to obtain a share certificate at the consolidation value, such shareholders will be required to return their share certificates to the transfer secretaries together with certified copies of identity documents, if in own name, or if otherwise, certified copies of company/trust documents.
- 1.6. If any documents of title of shareholders have been lost or destroyed and the shareholder concerned produces evidence to this effect to the satisfaction of Aveng, then the company may dispense with the surrender of such existing documents of title against provision of an acceptable indemnity.
- 1.7. **Part 1 must be completed by shareholders who have not dematerialised their shares.**
- 1.8. **Part 2 must be completed by shareholders who have not dematerialised their shares and who are emigrants from or non-residents of the common monetary area.**

**PART 1 – To be completed by ALL shareholders who have not dematerialised their shares or who hold “own name” dematerialised shares.**

I/We surrender and enclose the undermentioned documents of title:

**1 Documents of title**

Certificate numbers	Number of shares covered by each certificate
<b>Total</b>	

I/We irrevocably and in *rem suam* authorise you to produce the signature of such documents that may be necessary to complete the replacement of the shares with new shares under the new consolidated share capital.

I/We hereby instruct you to forward the new consolidated share certificate to the following address (if different from registered address).

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Signature of shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home) (    )	
Telephone number (Work) (    )	
Cell phone number	
Postal address	
Email address	

Holders are also to attach a certified copy of their identity document when returning this form of surrender.

**INSTRUCTIONS**

1. A receipt will not be issued for this form of surrender, or the documents lodged with it. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping with the other documents lodged.
2. A shareholder married in community of property or a minor must ensure this form of surrender is also signed by his/her spouse or parent or guardian, as the case may be.
3. Where Aveng ordinary shares are jointly held, this form must be signed by joint holders.
4. If this form is signed under power of attorney, such power of attorney must be produced, unless it has already been registered with the transfer office of Aveng.
5. If this form is signed on behalf of a company, close corporation, pension or provident fund, it must be accompanied by a certified copy of the resolution authorising the signature, unless it has already been registered with the transfer office of Aveng.

**PART 2 – To be completed by all emigrants from and non-residents of the common monetary area**

Name of authorised dealer/bank

Address

Account number

**Notes:**

1. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form of surrender.
2. Any alteration to this form of surrender must be signed in full and not initialled.
3. If this form of surrender is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form of surrender for noting (unless it has already been noted by the transfer secretaries).
4. Where the shareholder is a company or a close corporation, unless it has already been registered with the transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of surrender must be submitted if so requested by the transfer secretaries.
5. Note 4 above does not apply in the event of this form of surrender bearing the stamp of a broking member of the JSE.
6. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of surrender.
7. A minor must be assisted by his or her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the transfer secretaries.