

Annual general meeting – explanatory notes continued

Federation of Accountants (IFAC) and nominated the re-appointment of KPMG Inc as registered auditors for the 2009/2010 financial year. On 26 February 2009, the Altron board, subject to shareholder approval, re-appointed KPMG Inc and Mr MCA Hoffman as the independent registered audit firm and individual registered auditor of Altron respectively.

Furthermore, the Altron audit committee has, in terms of paragraph 3.86 of the JSE Listings Requirements, considered and satisfied itself that KPMG Inc the reporting accountant and individual auditor are registered as such on the JSE Register of Auditors, in compliance with section 22 of the JSE Listings Requirements.

#### **4. SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY TO REPURCHASE SHARES**

The effect of special resolution number 1 and the reason therefore is to grant the company or any of its subsidiaries a general approval in terms of the Companies Act, No 61 of 1973, as amended (the Companies Act), for the acquisition by the company or any of its subsidiaries of the company's shares, which general approval shall be valid until the earlier of such next annual general meeting of the company or its variation or revocation of such general authority by special resolution at any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 months from the date of this annual general meeting.

The directors are of the opinion that it would be in the best interests of the company to extend such general authority and thereby allow the company or any of its subsidiaries to be in a position to repurchase the securities issued by the company through the order book of the JSE, should market conditions and the price justify such an action.

#### **5. ORDINARY RESOLUTIONS NUMBERS 1 AND 2: CONTROL OF AUTHORISED BUT UNISSUED SHARES AND GENERAL AUTHORITY TO ISSUE SHARES FOR CASH**

In terms of sections 221 and 222 of the Companies Act the shareholders have to approve the placement of the unissued shares under the control of the directors. The existing authorities granted by the shareholders at the previous annual

general meeting held on 15 July 2008 expire at the following annual general meeting unless renewed. The authorities will be subject to the Companies Act and the JSE Listings Requirements. Ordinary resolution number 1 requires a 50% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting.

Ordinary resolution number 2 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting in order for this ordinary resolution to become effective.

The directors consider it advantageous to renew these authorities to enable the company to take advantage of any business opportunity that may arise in future.

#### **6. FEES OF NON-EXECUTIVE DIRECTORS**

Shareholders are requested to approve the proposed fees payable to the company's non-executive directors with effect from 1 September 2009.

This resolution is recommended by the company's board of directors. Full particulars of all fees for the past year as well as the process followed by the remuneration committee in recommending board fees are contained on pages 112 to 121 of this report.

Furthermore shareholders are referred to the announcement published by Altron on SENS on 3 March 2009 advising that with effect from 1 March 2009 Dr WP Venter's role and responsibilities at Altron would change from being a full-time chairman to a non-executive chairman.

Pursuant thereto, Dr WP Venter has waived a portion of his remuneration which he earned as a full-time chairman in order to align his fee with market norms.

Altron's remuneration committee is satisfied that having engaged external remuneration consultants to review Dr WP Venter's fee relative to the market, and having regard to the number of boards within the Altron group on which Dr WP Venter will serve as either a chairman or non-executive director, that his proposed annual fee is consistent with the fees paid to chairmen of other public listed companies in South Africa.

