

Notice of annual general meeting

Allied Electronics Corporation Limited

Incorporated in the Republic of South Africa
(Registration number 1947/024583/06)
(Share code: ATN) (ISIN: ZAE000029658)
(Share code: ATNP) (ISIN: ZAE000029666)
("Altron" or "the company")

Notice is hereby given to shareholders recorded in the company's securities register on 8 June 2011, that the sixty-fifth annual general meeting of the shareholders of Altron will be held in The Altron Boardroom, 5 Winchester Road, Parktown, Johannesburg, on Friday, 15 July 2011 at 09:30, to (i) deal with such business as may lawfully be dealt with at the meeting and (ii) consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008, as amended ("the Act"), as read with the Listings Requirements of the JSE Limited ("JSE Listings Requirements") on which exchange the company's ordinary and participating preference shares are listed, which meeting is to be participated in and voted at by shareholders as at the record date of Thursday, 7 July 2011.

Kindly note that meeting participants (including shareholders and proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licences and passports.

When reading the resolutions below, please refer to the explanatory notes for the resolutions on pages 246 to 250.

1. Presentation of annual financial statements

The consolidated audited annual financial statements of the company and its subsidiaries (as approved by the board of directors of the company), incorporating the external auditor, audit committee and directors' reports for the year ended 28 February 2011, have been distributed as required and will be presented.

The complete annual financial statements are set out on pages 145 to 235 of this integrated annual report.

2. Ordinary resolution number 1: Re-election of directors

To re-elect, by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, the following directors retiring, in terms of article 16(1) of the company's memorandum of incorporation, and who, being eligible, have offered themselves for re-election:

- 2.1 Dr WP Venter
- 2.2 Mr MC Berzack
- 2.3 Dr PM Maduna
- 2.4 Ms BJM Masekela
- 2.5 Mr PL Wilmot
- 2.6 Mr CG Venter

Brief biographies in respect of each director offering himself/herself for re-election are contained on pages 236 to 240 of this integrated annual report.

3. Ordinary resolution number 2: Reappointment of external auditor

That upon the recommendation of the current Altron audit committee, KPMG Inc. be reappointed as the independent registered auditor of the company until the conclusion of the next annual general meeting.

4. Ordinary resolution number 3: Election of audit committee members

That shareholders elect, each by way of a separate vote, the following independent, non-executive directors, as members of the Altron audit committee, with effect from the end of this annual general meeting:

- 4.1 Mr PL Wilmot*
- 4.2 Mr NJ Adami
- 4.3 Mr MJ Leeming
- 4.4 Mr JRD Modise

**Subject to his re-election as a director pursuant to ordinary resolution number 1.*

Brief biographies of those independent non-executive directors offering themselves for election as members of the Altron audit committee are enclosed in the report of the Altron audit committee contained on pages 150 to 152 of this integrated annual report, as well as in the explanatory notes accompanying this notice of annual general meeting.

5. Ordinary resolution number 4: Endorsement of Altron remuneration policy

That shareholders endorse, by way of a non-binding advisory vote, the company's remuneration policy (excluding the remuneration of the non-executive directors and the members of board committees for their services as directors and members of committees), as set out in this integrated annual report on pages 135 to 142.

6. Ordinary resolution number 5: General authority to directors to allot and issue authorised but unissued ordinary and participating preference shares

That as required by and subject to the memorandum of incorporation and the requirements of the Act and the JSE Listings Requirements, the directors be authorised, as they in their discretion think fit, to allot and issue the unissued ordinary and/or participating preference shares of the company, subject to the following:

- > the authority shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date of this annual general meeting;
- > issues in terms of this authority will not, in any financial year, in aggregate, exceed 5% of the number of ordinary

shares in the company's issued ordinary share capital as at 28 February 2011;

- > issues in terms of this authority will not, in any financial year, in aggregate, exceed 5% of the number of participating preference shares in the company's issued participating preference share capital as at 28 February 2011, provided that this limitation will not apply to the issue of participating preference shares in terms of any Altron group share incentive scheme and, accordingly:
 - in calculating the number of participating preference shares issued in any financial year for the purpose of determining whether the aforementioned 5% threshold has been reached, any participating preference shares issued in terms of the rules of any such share incentive scheme shall not be included in that calculation; and
 - the number of participating preference shares which directors are authorised to allot and issue in terms of the rules of any such share incentive scheme shall not be subject to limitation, other than in terms of the rules applicable to that scheme.

7. Ordinary resolution number 6: General authority to issue shares for cash

That subject to renewal of the general authority proposed in terms of ordinary resolution number 5 above and the JSE Listings Requirements, shareholders grant the directors a general authority for the allotment and issue of ordinary and/or participating preference shares in the capital of the company for cash, as and when suitable situations arise, on the following basis:

- > any such issue of shares shall be to public shareholders as defined by the JSE Listings Requirements and not to related parties;
- > this authority shall only be valid until the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date of this annual general meeting;
- > a paid press announcement giving details, including the impact on net asset value and earnings per share, will be published at the time of any such allotment and issue of shares representing, on a cumulative basis within one year, 5% or more of the number of shares of that class in issue prior to any such issues;
- > that issues of shares (excluding issues of shares exercised in terms of any Altron group share incentive scheme) in any one financial year, shall not, in aggregate, exceed 5% of the number of shares of any class of the company's issued share capital; and
- > that, in determining the price at which an allotment and issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the class of shares to be issued over the 30 days prior to the date that the price of issue is determined or agreed by the directors of the company.

In terms of the JSE Listings Requirements, the approval of 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting will be required for this authority to become effective.

8. Special resolution number 1: General authority to acquire (repurchase) shares

That the company and/or any subsidiary of the company is hereby authorised, by way of a general authority, from time to time, to acquire ordinary and/or participating preference shares in the share capital of the company from any person in accordance with the requirements of Altron's memorandum of incorporation, the Act and the JSE Listings Requirements, provided that:

- > any such acquisition of ordinary and/or participating preference shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement with the counterparty;
- > this general authority shall be valid until the earlier of the company's next annual general meeting or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the company, provided that it shall not extend beyond 15 months from the date of passing of this special resolution number 1;
- > an announcement will be published as soon as the company or any of its subsidiaries have acquired ordinary and/or participating preference shares constituting, on a cumulative basis, 3% of the number of ordinary and/or participating preference shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements;
- > acquisitions of shares in aggregate in any one financial year may not exceed 5% of the company's ordinary and/or 5% of its participating preference issued share capital, as the case may be, as at the date of passing of this special resolution number 1;
- > ordinary and/or participating preference shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary and/or participating preference shares are traded on the JSE as determined over the five business days immediately preceding the date of acquisition of such ordinary and/or participating preference shares;
- > the company has been given authority by its memorandum of incorporation;
- > the board of directors authorises the acquisition, the company passes the solvency and liquidity test and that from the time that the test is done, there are no material changes to the financial position of the company;
- > at any point in time, the company and/or its subsidiaries may only appoint one agent to effect any such acquisition;

- > the company and/or its subsidiaries undertaking that they will not enter the market to so acquire the company's shares until the company's sponsor has provided written confirmation to the JSE regarding the adequacy of the company's working capital in accordance with Schedule 25 of the JSE Listings Requirements; and
- > the company and/or its subsidiaries not acquiring any shares during a prohibited period, as defined in the JSE Listings Requirements unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over the Securities Exchange News Service (SENS) prior to the commencement of the prohibited period.

9. Special resolution number 2: Remuneration of non-executive directors

That in terms of article 15.6 of the company's memorandum of incorporation, the remuneration payable to the non-executive directors for the 12-month period commencing on 1 September 2011, be set as follows:

	Proposed annual remuneration R	Proposed annual retainer R	Proposed attendance remuneration/ meeting R
Altron chairman	R4 025 875 ¹		
Altron lead independent director		R144 000	R28 800 ²
Altron board member		R90 000	R18 000 ³
Altron audit committee chairman		R75 000	R23 000
Altron audit committee member		R37 000	R11 500
Altron remuneration committee chairman		R40 000	R18 500
Altron remuneration committee member		R30 000	R7 500
Altron risk management committee chairman		R50 000	R20 000
Altron risk management committee member		R27 000	R10 000
Altron nomination committee chairman		R45 000 ⁴	R16 500
Altron nomination committee member		R20 000	R7 000

¹ The chairman's remuneration is on an all-inclusive basis. This includes his remuneration for serving on the various Altron, Altech, Bytes and Powertech boards, both locally and offshore, as well as his remuneration for acting as a member of the Altron remuneration and nomination committees. The chairman does not serve on the boards of any companies, public or private, external to the Altron group and the Venter family.

² The remuneration payable to the lead independent director is in substitution for the board remuneration payable to other non-executive directors. Notwithstanding the foregoing, the lead independent director will be entitled to the same attendance remuneration per meeting payable to the other non-executive directors, in respect of any special board meetings which he attends.

³ The same remuneration is payable to those board members who attend special board meetings.

⁴ The nomination committee has historically only met once per annum.

10. Special resolution number 3: Financial assistance to directors, prescribed officers, employee share scheme beneficiaries and related or interrelated companies and corporations

That the board of directors of the company may, to the extent required by and subject to sections 44 and 45 of the Act and the requirements (if applicable) of the:

- i) company's memorandum of incorporation; and
- ii) JSE Listings Requirements,

authorise the company to provide direct or indirect financial assistance to a director or prescribed officer of the company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to any beneficiary participating in any Altron group share incentive scheme, or to a person related to any such company, corporation, director, prescribed officer, beneficiary or member, provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the date of the adoption of this special resolution number 3.

11. Special resolution number 4: Adoption of amended memorandum of incorporation

That the memorandum of incorporation of the company adopted by shareholders on 11 May 2009 be hereby substituted by the adoption of an amended memorandum of incorporation, which has been initialled by the chairman of the annual general meeting for purposes of identification.

The salient features of the amended memorandum of incorporation have been included in the explanatory notes to this notice of annual general meeting. The complete memorandum of incorporation, as amended, will lie for inspection at the company's registered office from 8 June 2011 to 15 July 2011.

Voting and proxies

In terms of the Act, no voting rights attaching to the treasury shares held by Altron Finance (Pty) Limited, a subsidiary of the company, may be exercised.

Ordinary and participating preference shareholders holding their shares in certificated form or in dematerialised form with "own name" registration are entitled to attend and speak at the annual general meeting and, with the exception of special resolutions numbers 1, 3 and 4 where both ordinary and participating preference shareholders are entitled to vote, only ordinary shareholders are entitled to vote in respect of the remaining resolutions.

Ordinary and participating preference shareholders holding dematerialised shares in their own name, or who hold shares that are not dematerialised, who are entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and, in respect of the applicable resolution/s, vote in their stead. A proxy does not have to be a shareholder of the company. The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the annual general meeting and participating and, where applicable, voting in person thereat to the exclusion of any such proxy. A form of proxy for use at the meeting is attached.

Shareholders holding dematerialised shares but not in their own name must furnish their Central Securities Depository Participant (CSDP) or broker with their instructions for voting at the annual general meeting should they wish to vote. If your CSDP or broker, as the case may be, does not obtain instructions from you, it will be obliged to act in terms of your mandate furnished to it, or if the mandate is silent in this regard, to complete the relevant form of proxy attached. Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut-off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at the annual general meeting, your CSDP or broker will assume that you do not wish to attend the annual general meeting or send a proxy. If you wish to attend the annual general meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of representation to you.

Shareholders holding dematerialised shares in their own name, or who hold shares that are not dematerialised, and who are unable to attend the annual general meeting and wish to be represented thereat, must complete the relevant form of proxy attached in accordance with the instructions therein and lodge it with, or mail it to, the transfer secretaries.

It is requested that forms of proxy should be forwarded to reach the company's transfer secretaries at the address given below by not later than 09:30 on Thursday, 14 July 2011.

Please note that the company intends to make provision for shareholders of the company, or their proxies, who are entitled to attend thereat, to participate in the annual general meeting by way of electronic communication. In this regard, the company intends making video-conferencing facilities available at the following locations:

- > The Altron Boardroom, 5 Winchester Road, Parktown, Johannesburg; and
- > Bytes Systems Integration Boardroom, 4th Floor, The Park, Park Road, Pinelands, Cape Town.

Should you wish to participate in the annual general meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to attend at either of the abovementioned locations on the date of the annual general meeting. The abovementioned locations will be linked to each other by means of a real-time video feed on the date of, and from the time of commencement of, the annual general meeting. The real-time video feed will enable all persons to participate electronically in the annual general meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the annual general meeting. The cost of the video conferencing facilities described will be for the account of the company.



By order of the board

Altron Management Services (Pty) Limited – Secretaries

per: **AG Johnston** – Group Company Secretary

31 May 2011

Transfer secretaries

Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)