



NOTICE OF ANNUAL GENERAL MEETING
AND FORM OF PROXY AND CONDENSED AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

NOTICE OF THE 2019 ANNUAL GENERAL MEETING
FOR THE YEAR ENDED 31 AUGUST 2019

31 JANUARY 2020

Dear Shareholder,

Please find attached hereto the notice of the annual general meeting of shareholders of African Equity Empowerment Investments Limited ("AEEI" or "the Company") to be held at AEEI's head office, 1st Floor, Waterway House North, 3 Dock Road, V&A Waterfront on 24 March 2020 at 14h30 ("the AGM" or "the annual general meeting").

Normally an ordinary resolution would be included in the notice of annual general meeting resolving the appointment of the Company's auditors and audit partner for the ensuing financial year. As per the announcement released on SENS on 18 October 2019, BDO South Africa Inc. ("BDO") notified the Company that it would not be seeking re-appointment as the auditors of the Company and its subsidiaries, at the next annual general meeting. AEEI has to date, not appointed an external audit firm to replace BDO hence the resolution to resolve the appointment of external auditors for the ensuing financial year, has been removed. Shareholders will be notified via SENS once a replacement audit firm has been appointed.

The Company's integrated report, containing the complete audited annual financial statements for the year ended 31 August 2019 is available for download on AEEI's website at www.aeei.co.za.



Aziza Begum Amod

Non-executive chairperson



Khalid Abdulla

Chief executive officer

NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 31 AUGUST 2019

Notice is hereby given that the twenty-first annual general meeting of the shareholders of AEEI will be held at AEEI's head office, 1st Floor, Waterway House North, 3 Dock Road, V&A Waterfront on 24 March 2020 at 14h30.

PURPOSE

The purpose of the annual general meeting is to transact the business set out in the agenda below.

AGENDA

Presentation of the audited annual financial statements of the Company, including the reports of the Board of directors of the Company ("the directors" or "the Board") and the audit and risk committee for the year ended 31 August 2019. The integrated report contains the complete audited annual financial statements and is available on the Company's website at www.aeei.co.za or can be obtained from the Company's registered office, at no charge, during office hours. A condensed version of the audited consolidated financial statements is included in Annexure A to this notice of annual general meeting.

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

ORDINARY BUSINESS

Note: For any of the Ordinary Resolution Numbers 1 to 12 to be adopted, more than 50% (fifty percent) of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For Ordinary Resolution Numbers 13 and 14 to be adopted, at least 75% (seventy-five percent) of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

1. CONFIRMATION OF APPOINTMENT, RETIREMENT AND RE-ELECTION OF THE DIRECTORS OF THE COMPANY

1.1 ORDINARY RESOLUTION NUMBER 1

"Resolved that Mr I Amod's, appointment as director in terms of the memorandum of incorporation of the company be and is hereby confirmed."

1.2 ORDINARY RESOLUTION NUMBER 2

"Resolved that Ms Mosia's, appointment as director in terms of the memorandum of incorporation of the company be and is hereby confirmed."

1.3 ORDINARY RESOLUTION NUMBER 3

"Resolved that Mr G Colbie's appointment as director in terms of the Memorandum of Incorporation of the Company be and is hereby confirmed"

1.4 ORDINARY RESOLUTION NUMBER 4

"Resolved that Mr JS van Wyk's appointment as director in terms of the Memorandum of Incorporation of the Company be and is hereby confirmed."

1.5 ORDINARY RESOLUTION NUMBER 5

"Resolved that Advocate Dr NA Ramathodi, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

1.6 ORDINARY RESOLUTION NUMBER 6

"Resolved that Mrs AB Amod, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible and offering herself for re-election, be and is hereby re-elected as director."

A brief curriculum vitae for each of the directors to be re-elected is set out in Annexure B to this notice of AGM.

The reason for Ordinary Resolution Numbers 1 to 4 (inclusive) is that the Memorandum of Incorporation of the Company and the Listings Requirements of the JSE require that any new appointment to the Board of the Company are to be confirmed by the shareholders at the AGM of the Company.

The reason for and effect of Ordinary Resolution Numbers 5 and 6 is that the Memorandum of Incorporation of the Company and, to the extent applicable, the Companies Act, 2008 (No. 71 of 2008), as amended ("the Companies Act"), require that a component of the directors rotate at every AGM of the Company and, being eligible, may offer themselves for re-election as directors.

NOTICE OF ANNUAL GENERAL MEETING – continued FOR THE YEAR ENDED 31 AUGUST 2019

2. APPOINTMENT AND RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE

Note: For the avoidance of doubt, all references to the audit and risk committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

2.1 ORDINARY RESOLUTION NUMBER 7

“Resolved that Mr I Amod, being eligible and offering himself for election as a member of the audit and risk committee of the Company, as recommended by the directors, be and is hereby elected until the next AGM of the Company.”

2.2 ORDINARY RESOLUTION NUMBER 8

“Resolved that Mr JS van Wyk, being eligible and offering himself for election as a member and chairman of the audit and risk committee of the Company, as recommended by the directors, be and is hereby elected until the next AGM of the Company.”

2.3 ORDINARY RESOLUTION NUMBER 9

“Resolved that Mr G Colbie, being eligible and offering himself for election as a member of the audit and risk committee of the Company, as recommended by the directors, be and is hereby elected until the next AGM of the Company.”

2.4 ORDINARY RESOLUTION NUMBER 10

“Resolved that Advocate Dr NA Ramathodi, being eligible and offering himself for re-election as a member of the audit and risk committee of the Company, as recommended by the directors, be and is hereby elected until the next AGM of the Company.”

The reason for and effect of Ordinary Resolution Numbers 7 to 10 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each AGM of a company.

In terms of section 94 of the Companies Act, an audit committee should comprise at least three members.

3. CONTROL OF AUTHORISED BUT UNISSUED “B” ORDINARY SHARES

ORDINARY RESOLUTION NUMBER 11

“Resolved that the authorised but unissued “B” ordinary shares in the share capital of the Company be and are hereby placed under the control and authority of the directors and that the directors be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares or to issue any options in respect of, or instruments that are convertible into, such shares, to such person/s on such terms and conditions and at such times as the directors may from time to time determine and at their discretion deem fit, subject to the provisions of the Companies Act, the Memorandum of Incorporation of the Company and the Listings Requirements of the JSE Ltd (“the JSE Listings Requirements”), when applicable.”

This general authority will be valid until the earlier of the Company’s next AGM or the expiry of a period of 15 (fifteen) months from the date that this authority is given.

The reason for and effect of Ordinary Resolution Number 11 is that the Board requires authority from shareholders in terms of the Memorandum of Incorporation of the Company to issue shares in the Company. This general authority, once granted, allows the Board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required, inter alia, in terms of capital raising exercises and to maintain a healthy capital adequacy ratio.

4. APPROVAL TO ISSUE "B" ORDINARY SHARES AND/OR OPTIONS FOR CASH

ORDINARY RESOLUTION NUMBER 12

"Resolved that the directors be and are hereby authorised, by way of a general authority, to allot and issue, or issue any options in respect of, or instruments that are convertible into, any of the authorised but unissued "B" ordinary shares in the capital of the Company for cash, as and when they at their discretion deem fit, subject to the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements, when applicable, provided that:

- the equity securities which are subject to the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- the equity securities must be issued to "public shareholders" as defined in the JSE Listings Requirements and not to related parties;
- the number of equity securities issued for cash shall not, in the aggregate in any one financial year, exceed 15% (fifteen percent) of the Company's relevant number of equity securities in issue of that class as at the date of this notice of AGM, excluding treasury securities. As at the date of this notice of AGM, 15% (fifteen percent) of the Company's issued "B" share capital amounts to 73 653 365 "B" ordinary shares. Any securities issued under this general authority will be deducted from the aforementioned 73 653 365 securities. In the event of a subdivision or a consolidation during the period of this general authority, the number of securities which can be issued in terms of this general authority will be adjusted to represent the same allocation ratio;
- this general authority will be valid until the earlier of the Company's next AGM or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- if the issued securities represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS;
- in determining the price at which an issue of equity securities may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the "B" ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed between the issuer and the party subscribing for the securities. The JSE will be consulted for a ruling if the Company's securities have not traded in such 30 (thirty) business day period; and
- whenever the Company wishes to use "B" ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such issue was a fresh issue of "B" ordinary shares; and in respect of the issue of options/convertible instruments for cash, if the strike or conversion price of the options/convertible instruments is at a discount that exceeds the maximum discount contemplated in paragraph 5.52(d) of the JSE Listings Requirements, then the grant/issue may only proceed if the directors have obtained a fairness opinion, in accordance with Schedule 5 of the JSE Listings Requirements, from an independent expert acceptable to the JSE, confirming that the grant/issue is fair insofar as the shareholders of the Company are concerned."

In terms of the JSE Listings Requirements, Ordinary Resolution Number 12 must be passed by at least 75% (seventy-five percent) of the votes cast in favour of the resolution by all shareholder's present or represented by proxy and entitled to vote on this resolution at the annual general meeting.

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or to duly approved share incentive schemes), as contemplated in Ordinary Resolution Number 12 above, it is necessary for the Board of the Company to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the Memorandum of Incorporation of the Company.

The reason for and effect of Ordinary Resolution Number 12 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the Memorandum of Incorporation of the Company.

NOTICE OF ANNUAL GENERAL MEETING – continued

FOR THE YEAR ENDED 31 AUGUST 2019

5. NON-BINDING ADVISORY VOTE ON THE REMUNERATION POLICY OF THE COMPANY

ORDINARY RESOLUTION NUMBER 13

“Resolved that the Company’s remuneration policy, as set out in the remuneration report on pages 96 to 99 of the abridged integrated report and Annexure D of the AGM Notice, be and is hereby endorsed by way of a non-binding advisory vote.”

The reason and effect for Ordinary Resolution Number 13 is that the King IV Report on Corporate Governance™ for South Africa 2016 (“King IV™”) recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM. This enables shareholders to express their views on the remuneration policy adopted. Ordinary Resolution Number 13 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company’s remuneration policy.

6. NON-BINDING ADVISORY VOTE ON THE IMPLEMENTATION OF THE REMUNERATION POLICY OF THE COMPANY

ORDINARY RESOLUTION NUMBER 14

“Resolved that the Company’s implementation report regarding the remuneration policy, as set out in the remuneration report on pages 98 to 99 and Annexure D of the AGM Notice, be and is hereby endorsed by way of a non-binding vote.”

The reason for and effect of Ordinary Resolution Number 14 is that King IV™ recommends that the implementation of a company’s remuneration policy be tabled for a non-binding vote by shareholders at each AGM. This enables shareholders to express their views on the implementation of the Company’s remuneration policies. Ordinary Resolution Number 14 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company’s remuneration policy.

7. REMUNERATION OF NON-EXECUTIVE DIRECTORS

SPECIAL RESOLUTION NUMBER 1

“Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as non-executive directors and/or pay any fees related thereto on the following basis, provided that the aforementioned authority shall be valid until the next AGM of the Company:

PROPOSED ANNUAL REMUNERATION

Per annum, with effect from 1 September 2019, for serving as a non-executive director (including serving on the committees of the Board):

| Non-executive | NA | | JS | | Total R'000 |
|-----------------|------------------|---------------------|-----------------|------------------|----------------|
| | AB Amod R'000 | Ramatlhodi R'000 | I Amod R'000 | van Wyk R'000 | |
| Directors’ fees | 207 | 207 | 207 | 207 | 828 |

Note: Mr G Colbie and Ms M Mosia waived their non-executive fees.

The reason for and effect of Special Resolution Number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of Special Resolution Number 1 is that the Company will be able to pay its non-executive directors for the services they render to the Company as non-executive directors without requiring further shareholder approval until the next AGM.

Note: Executive directors are remunerated in accordance with the employment agreements entered into between the Company and such directors.

8. INTER-COMPANY FINANCIAL ASSISTANCE**SPECIAL RESOLUTION NUMBER 2**

“Resolved that, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“financial assistance” will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board may deem fit to any company or corporation that is related or inter-related (“related” or “inter-related” will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board determines, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company.”

The reason for and effect of Special Resolution Number 2 is to grant the directors the authority, until the next AGM, to provide financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

9. FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SHARES IN THE COMPANY OR A RELATED OR INTER-RELATED COMPANY**SPECIAL RESOLUTION NUMBER 3**

“Resolved that, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, the Board be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“financial assistance” will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board may deem fit to any company or corporation that is related or inter-related to the Company (“related” or “inter-related” will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board may determine, for the purpose of, or in connection with, the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company.”

The reason for and effect of Special Resolution Number 3 is to grant the directors the authority, until the next AGM, to provide financial assistance to any company or corporation which is related or inter-related to the Company for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or in any such related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interest of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in Special Resolution Numbers 2 and 3 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- 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;
- the terms under which any financial assistance is proposed to be provided will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's Memorandum of Incorporation have been met.

NOTICE OF ANNUAL GENERAL MEETING – continued

FOR THE YEAR ENDED 31 AUGUST 2019

10. APPROVAL FOR THE COMPANY OR ITS SUBSIDIARIES TO REPURCHASE COMPANY SHARES

SPECIAL RESOLUTION NUMBER 4

“Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, by way of a general authority, to repurchase, from time to time, any of the “B” ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements, where applicable, and provided that:

- the repurchase of the “B” ordinary shares will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the earlier of the Company’s next AGM or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company’s “B” ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date on which the transaction is effected;
- the acquisition of “B” ordinary shares, in the aggregate in any one financial year, may not exceed 20% (twenty percent) of the Company’s issued ordinary share capital as at the beginning of the financial year, provided that the Company’s subsidiaries may not, collectively, hold more than 10% (ten percent) of the Company’s issued ordinary share capital at any time;
- after such repurchase, the Company will still comply with the JSE Listings Requirements concerning shareholder spread requirements;
- the Company or its subsidiaries may not repurchase “B” ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing. The Company will instruct an independent third party, which party makes its investment decisions in relation to the Company’s securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme;
- when the Company and/or its subsidiaries have cumulatively purchased 3% (three percent) of the number of the ordinary shares in issue at the time, this general authority is granted (“initial number”) and for each 3% (three percent) in aggregate of the initial number acquired thereafter an announcement setting out full details of such purchase will be made on SENS;
- at any point in time, the Company may only appoint one agent to effect any purchases on its behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the Listings Requirements.”

The reason for and effect of Special Resolution Number 4 is to grant the directors a general authority, in terms of the Memorandum of Incorporation of the Company and the JSE Listings Requirements, for the acquisition by the Company, or any subsidiary of the Company, of shares issued by the Company on the basis reflected in Special Resolution Number 4.

The Company has no immediate plans to use this authority and is simply obtaining same in the interest of prudence and good corporate governance should the unforeseen need arise to use the authority.

The directors, and the directors of the subsidiaries of the Company, will only utilise the general authority to purchase shares of the Company, as set out in Special Resolution Number 4, to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:

- the Group is able to repay its debts in the ordinary course of business for a period of 12 (twelve) months after the date of this notice of AGM;
- the assets of the Group, being fairly valued in accordance with the accounting policies used in the latest audited consolidated annual financial statements, will exceed the liabilities of the Group for a period of 12 (twelve) months after the date of this notice of AGM;

- the share capital and reserves of the Group are adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of AGM; and
- the available working capital of the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of AGM;

and the directors have passed a resolution authorising the repurchase, resolving that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and, resolving that since the solvency and liquidity test has been applied, there have been no material changes to the financial position of the Group.

11. OTHER BUSINESS

To transact such other business as may be transacted at the AGM.

INFORMATION RELATING TO THE ORDINARY RESOLUTION AND SPECIAL RESOLUTIONS

i. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in Special Resolution Number 4 to the extent that the directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:

- the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
- the consolidated assets of the Group will, at the time of the AGM and at the time of making such determination, be in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
- the ordinary capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the AGM and after the date of the share repurchase; and
- the working capital available to the Group after the repurchase will be sufficient for the Group's requirements for a period of 12 months after the date of the notice of the AGM.

ii. Other disclosures in terms of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures, which are disclosed in Annexure B to this notice of AGM, as set out below:

- Major shareholders of the Company; and
- Share capital of the Company.

iii. Material changes

Other than the facts and developments reported on in the integrated report, there have been no material changes in the financial or trading position of the Company and its subsidiaries, since the date of the interim reporting period up to the date of this notice of AGM.

iv. Directors' responsibility statement

The directors, whose names appear in Annexure B to this notice of AGM, collectively and individually accept responsibility for the accuracy of the information pertaining to the special resolutions set out above and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and all reasonable enquiries to ascertain such facts have been made and that this notice contains all information required by law and the JSE Listings Requirements.

v. Special Resolution Numbers 2, 3 and 4 are renewals of resolutions taken at the previous AGM held on 18 January 2019.

vi. For Ordinary Resolution Number 12 to be adopted, at least 75% (seventy-five percent) of the voting rights must be exercised in favour thereof.

For any of the Special Resolution Numbers 1 to 4 (inclusive) to be adopted, at least 75% (seventy-five percent) of the voting rights exercised on each such special resolution must be exercised in favour thereof.

NOTICE OF ANNUAL GENERAL MEETING – continued

FOR THE YEAR ENDED 31 AUGUST 2019

VOTING AND PROXIES

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company (“the Share Register”) for purposes of being entitled to receive this notice is Friday, 24 January 2020.

The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at the AGM is Friday, 13 March 2020, with the last day to trade being Tuesday, 10 March 2020.

In terms of section 63(1) of the Companies Act, meeting participants will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include an original and valid identity document, passport or driver’s licence. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

Shareholders who have not dematerialised their shares or who have dematerialised their shares with “own name” registration are entitled to attend and vote at the AGM and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. For the convenience of certificated shareholders and dematerialised shareholders with own-name registration, a form of proxy is enclosed herewith.

The attached form of proxy is only to be completed by those shareholders who:

- hold “B” ordinary shares in certificated form; or
- have dematerialised their “B” ordinary shares and are registered with “own name” registration.

“B” ordinary shareholders who have dematerialised their ordinary shares through a Central Securities Depository Participant (“CSDP”) or broker and wish to attend the AGM, must instruct their CSDP or broker to provide them with the relevant letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only.

Proxy forms should be lodged with the Transfer Secretaries of the Company, Link Market Services (Pty) Ltd, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 or posted to the Transfer Secretaries at PO Box 4844, Johannesburg, 2000, South Africa, to be received by them not later than Friday, 20 March 2020 at 08h00, provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairperson of the AGM prior to the commencement of the AGM, at any time before the appointed proxy exercises any shareholder rights at the annual general meeting.

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING

Shareholders or their proxy(ies) may participate in the annual general meeting by way of telephone conference call.

A total of 7 (seven) telecommunication lines will be available for such participation. Shareholders or their proxies who wish to participate in the annual general meeting via the teleconference facility must follow the instructions contained in Annexure C attached to this notice.

Shareholders who wish to participate in the annual general meeting via the teleconference facility must note that they will not be able to vote during the annual general meeting.

By order of the Board



D Terblanche
Company secretary

31 January 2020
Cape Town

ANNEXURE A

CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

GROUP PERFORMANCE

FINANCIAL HIGHLIGHTS

- Revenue increased by 243% from R701m to R2.4bn
- Headline earnings increased by 316% from R119m to R496m
- Headline earnings per share increased by 316% from the 24.24c to 100.89c
- Net cash generated from operating activities increased by 9% from R131m to R143m
- Net asset value per share increased by 13% from 1 152.98c to 1 304.15c
- Total assets at year-end have grown to R7.4bn
- Gross final dividend of 6 cents per share declared to shareholders, which equates to a total dividend of 17 cents for the 2019 financial year
- A total dividend to shareholders for the 2019 financial year equates to R83.5m

The Group delivered excellent revenue growth due to both organic and acquisitive growth predominately from the technology and fishing and brands divisions respectively. Revenue increased significantly by 243% from R701m to R2.4bn as a result of recognising revenue growth of R1.6bn from the technology division and R83m from the fishing and brands division. In the prior year, the technology division was accounted for as an associate and thus excluded from the Group's revenue as the division was equity accounted in terms of IAS 28 Investment in Associates.

Effective 21 December 2018, the Group obtained control over AYO Technology Solutions Ltd ("AYO"), previously accounted for as an investment in associate. AYO was therefore treated as a subsidiary from the aforementioned effective date as AEEI had the ability to exercise its power over AYO in line with IFRS 10 Consolidated Financial Statements. The technology division's financial performance for the eight-months period has therefore been consolidated into the Group's statement of profit and loss and other comprehensive income. Refer to details below under significant events.

During the year, AEEI regained control over its investment in AYO and the Group therefore incurred a once-off accounting loss on deemed disposal (IFRS 10) of associate amounting to R2.4bn in the current year. This resulted in the Group's profit before tax decreasing from R6.01bn to a loss of R2.38bn and earnings per share decreasing from 1 016.01c to a loss per share of 304.09c.

Headline earnings increased by 316% from R119m to R496m. Headline earnings per share ("HEPS") increased by 316% from 24.24c to 100.89c, indicating the strategic plans in place driving both organic and acquisitive growth in revenue and earnings.

The net asset value ("NAV") increased by 12% from R5.67bn to R6.4bn as a result of the strengthened financial position. The NAV per share amounted to 1 304.15c despite a challenging national economy, stakeholder scrutiny and market forces.

AEEI is a proud Level 1 contributor in terms of the Department of Trade and Industry's Code of Good Practice on Broad-Based Black Economic Empowerment Amendment Act, (No. 53 of 2003) with the Amended Generic Scorecard being applied, with black ownership at 73.55% and black female ownership of 39.39%.

FISHING AND BRANDS

The fishing and brands division, Premier Fishing and Brands Ltd ("Premier" or the "Premier Group") operates a vertically integrated fishing business which specialises in the harvesting, processing and marketing of fish and fish-related products. The Premier Group holds medium to long-term fishing rights in squid, lobster, small pelagics, hake deep-sea trawl, hake longline, horse mackerel, swordfish and tuna. The Premier Group also owns an abalone farm and invests in organic fertilisers through the "Seagro" range of products.

ANNEXURE A – continued

CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The fishing and brands division performed in line with expectations with revenue increasing by 17%. The division benefited from the excellent sales performance of the deep sea lobster and squid divisions, including the financial performance of Talhado Fishing Enterprises (Pty) Ltd for a full year. The pelagic division performed admirably despite industry-wide catch rates. This was offset by the lower operational performance of the lobster division as result of lower total allowable quotas obtained for the west coast rock lobster division.

Sales volumes declined in the abalone division due to an exogenous factor that arose as a result of the political situation in Asia. The farm expansion is progressing well and is on track with construction to be completed in the 2020 financial year.

TECHNOLOGY

The information and communications technology (“ICT”) subsidiary, AYO Technology Solutions Ltd (“AYO”) is one of the largest Broad-based Black Economic Empowerment ICT companies in South Africa. AYO delivers end-to-end ICT solutions to multiple industries in South Africa’s public and private sectors through strategic partnerships. These partnerships enable them to service customers across Africa, North America, Europe and Mauritius.

The technology division achieved significant organic growth in its revenue as well as a result of the acquisitions in Sizwe Africa IT Group Ltd (“Sizwe”), SGT Solutions (Pty) Ltd (“SGT”) via Main Street 1653 (Pty) Ltd (“Main Street”) and Global Command and Control Technologies (Pty) Ltd (“GC²T”). These acquisitions took place effective 19 December 2018, 28 February 2019 and 1 March 2019 respectively. AYO contributed R1.6bn to the Group’s revenue for the year. Refer to the business combination note further below.

As a result of the change in control (as referred to under “Significant Events”, the technology division was recognised as a subsidiary from 21 December 2018. Despite the additional requirements from the JSE and the litigation from stakeholders, organic growth was achieved as well as acquisitive growth.

On 31 May 2019, AYO received a summons issued by the Public Investment Corporation (“PIC”) and the Government Employees Pension Fund (“GEPF”). The summons seeks a declaration that the subscription agreement entered into between the PIC and AYO be declared unlawful and set aside and that AYO be ordered to pay the PIC R4.2bn together with interest of 10.25% per annum accrued from 22 December 2017 to the date of final payment. AYO has instructed its attorneys to oppose the action.

In the event that the PIC and GEPF are successful in their court application, management believes that they will be able to reconfigure AYO into a pure investment holding company. AYO has several subsidiaries that have been in existence for more than 20 years, delivering both satisfactory trading performance and dividend income for AYO. These subsidiaries are expected to continue trading at an optimal level independent of the PIC funding.

AEEI’s associate investment in BT Communication Services SA (Pty) Ltd (“BT”) continually produces consistent earnings and it contributed positively to the Group’s profit from equity accounted investments.

HEALTH AND BEAUTY

The companies in the health and beauty division focus on the importation and distribution of cosmetic brands and make-up as well as the manufacturing, sales and marketing of an extensive range of natural products that are human, animal and plant safe and internationally recognised in the food, agriculture, hygiene, beauty and general health sectors.

Revenue from the health and beauty businesses declined during the year due to subdued consumer demand in the current economic climate. However, management expects an improvement in the businesses in the next financial year.

BIOTECHNOLOGY

Genius Biotherapeutics, one of Africa's largest medical biotechnology companies, in collaboration with research partners at the University of Cape Town will commence with clinical trials on breast cancer next year. The Group is currently in the process of acquiring the intellectual property in relation to the dendritic cell vaccine project and is preparing for the recruitment phase of selected patients for its pending human clinical trials.

EVENTS AND TOURISM

The events and tourism division manages and owns an events planning and production company, espAfrika (Pty) Ltd ("espAfrika"); a travel services company, Tripos Travel (Pty) Ltd ("Tripos Travel") and a radio station Magic 828 (Pty) Ltd ("Magic 828") (managed under the corporate division). During the year the Group acquired additional shares in espAfrika increasing its shareholding from 75% to 100%.

espAfrika, a Group subsidiary, hosted their 20th annual Cape Town International Jazz Festival event promoting the well-established brand. The company did not achieve its expected revenue during a challenging year due to the local economic uncertainty. Magic 828 which has operated for over four years, contributed R12m to the Group's gross revenue for the year. Its listenership continues to increase year-on-year.

STRATEGIC INVESTMENTS

The Group's strategic investments consist of: BT Communications Services South Africa (Pty) Ltd ("BT") which is now reported under the technology division; Saab Grintek Defence (Pty) Ltd ("SGD"); African Legend Investments (Pty) Ltd ("ALI") and Sygnia Ltd. ("Sygnia").

AEEI has minority equity stakes in BT, SGD, ALI and Sygnia. The strategic investments have shown consistent growth in earnings with regular dividend payments on an annual basis. Pioneer Foods Ltd's ("PFG") shares were disposed of on 15 March 2019 and Quantum Foods Ltd's shares were disposed of on 27 May 2019. Refer to the disposal of PFG investment below for full details.

ANNEXURE A – continued

CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

| | Audited to 31 August 2019 R'000 | Audited to 31 August 2018 R'000 |
|--|---------------------------------------|---------------------------------------|
| ASSETS | | |
| Non-current assets | 2 501 535 | 6 705 151 |
| Property, plant and equipment | 521 176 | 324 229 |
| Goodwill | 219 093 | 86 201 |
| Intangible assets | 293 309 | 277 853 |
| Investments in associates | 825 520 | 5 575 997 |
| Investment in joint ventures | 33 | - |
| Other loans receivable | 350 | 11 808 |
| Other financial assets | 544 180 | 419 905 |
| Deferred tax | 97 874 | 9 158 |
| Current assets | 4 952 776 | 657 125 |
| Inventory | 222 929 | 56 978 |
| Biological assets | 83 260 | 68 021 |
| Other financial assets | 38 886 | 3 083 |
| Other current assets | 755 | - |
| Current tax receivable | 13 287 | 2 168 |
| Trade and other receivables | 715 745 | 164 157 |
| Cash and cash equivalents | 3 877 914 | 362 718 |
| Total assets | 7 454 311 | 7 362 276 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital and share premium | 402 240 | 403 177 |
| Reserves | 7 776 | 8 034 |
| Retained income | 2 905 241 | 4 498 480 |
| Equity attributable to equity holders of parent | 3 315 257 | 4 909 691 |
| Non-controlling interest | 3 088 434 | 755 358 |
| | 6 403 691 | 5 665 049 |
| LIABILITIES | | |
| Non-current liabilities | 283 628 | 1 486 862 |
| Other financial liabilities | 71 105 | 208 392 |
| Deferred tax | 156 836 | 1 278 257 |
| Other non-current liabilities | 55 687 | 213 |
| Current liabilities | 766 992 | 210 365 |
| Trade and other payables | 541 647 | 105 993 |
| Other financial liabilities | 55 194 | 18 328 |
| Current tax payable | 26 267 | 21 969 |
| Provisions | 53 764 | 27 392 |
| Other current liabilities | 48 703 | 900 |
| Bank overdraft | 41 417 | 35 783 |
| Total liabilities | 1 050 620 | 1 697 227 |
| Total equity and liabilities | 7 454 311 | 7 362 276 |
| Net asset value per share (cents) | 1 304.15 | 1 152.98 |
| Tangible net asset value per share (cents) | 1 211.81 | 1 077.02 |
| Number of ordinary shares in issue ('000s) | 491 022 | 491 339 |

CONDENSED GROUP STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2019

| | Audited to 31 August 2019 R'000 | Audited to 31 August 2018 R'000 |
|--|--|--|
| Revenue | 2 377 368 | 700 691 |
| Cost of sales | (1 652 055) | (410 192) |
| Gross profit | 725 313 | 290 499 |
| Other income | 37 276 | 11 467 |
| Other operating expenses | (816 347) | (256 060) |
| Net impairments, impairment reversals and write off | (82 573) | (140 319) |
| Fair value adjustments and other operating gains/(losses) | (57 871) | (5 414) |
| (Loss)/gain on deemed disposal of associate and subsidiaries | (2 480 713) | 6 049 029 |
| Gain on bargain purchase | - | 952 |
| Profit from equity accounted investments | 63 634 | 57 914 |
| Investment revenue | 257 578 | 33 421 |
| Finance cost | (34 399) | (30 839) |
| (Loss)/profit before taxation | (2 388 102) | 6 010 650 |
| Taxation | 996 841 | (1 062 789) |
| Profit from continuing operations | (1 391 261) | 4 947 861 |
| Discontinued operations | | |
| Profit from discontinued operations | - | 159 533 |
| (Loss)/profit for the year | (1 391 261) | 5 107 394 |
| Other comprehensive loss | (254) | - |
| Total comprehensive (loss)/income | (1 391 515) | 5 107 394 |
| Total comprehensive (loss)/income attributable to: | | |
| Equity holders of the parent | (1 493 605) | 4 992 064 |
| Non-controlling interest | 102 090 | 115 330 |
| | (1 391 515) | 5 107 394 |
| Basic and diluted (loss)/earnings per ordinary share (cents) | (304.09) | 1 016.01 |
| Headline earnings per ordinary share (cents) | 100.89 | 24.24 |
| Weighted (and fully diluted) average number of ordinary shares in issue (000s) | 491 178 | 491 339 |

ANNEXURE A – continued

CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2019

| | Attributable to parent R'000 | Non- controlling interest R'000 | Total equity R'000 |
|--|------------------------------------|--|--------------------------|
| Balance at 01 September 2017 | 1 277 493 | 760 627 | 2 038 120 |
| Profit for the year | 4 992 064 | 115 330 | 5 107 394 |
| Transfer from reserves to retained income | 11 790 | - | 11 790 |
| Additional shares acquired | (4 826) | (1 705) | (6 531) |
| Changes in ownership interest - control not lost | (1 323 592) | 5 627 155 | 4 303 653 |
| Dividends paid | (43 238) | (30 147) | (73 385) |
| Changes in ownership interest (deemed disposal) - control lost | - | (5 767 588) | (5 767 588) |
| Business combinations and additional shares purchased | - | 51 686 | 51 686 |
| Balance at 31 August 2018 | 4 909 691 | 755 358 | 5 665 049 |
| Loss for the year | (1 493 351) | 102 070 | (1 391 261) |
| Other comprehensive income | (254) | - | (254) |
| Shares repurchased | (937) | - | (937) |
| | 5 768 | (4 168) | 1 600 |
| Change in ownership interest - additional shares acquired | | | |
| Changes in ownership interest - acquisition of minorities | (27 455) | (11 045) | (38 500) |
| Business combination | 34 806 | 16 745 | 51 551 |
| Dividends paid | (113 022) | (104 280) | (217 302) |
| Derecognition relating to sale of business | 11 | (384) | (373) |
| Business combinations - control obtained | - | 2 334 119 | 2 334 119 |
| Balance at 31 August 2019 | 3 315 257 | 3 088 434 | 6 403 691 |

CONDENSED GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

| | Audited to 31 August 2019 R'000 | Audited to 31 August 2018 R'000 |
|---|--|--|
| Cash (utilised)/generated by operations | (693) | 174 263 |
| Investment revenue | 264 903 | 33 421 |
| Dividend income | 24 844 | 31 434 |
| Finance cost | (32 786) | (31 217) |
| Tax paid | (113 124) | (77 087) |
| Net cash flows from operating activities | 143 144 | 130 814 |
| Cash flows from investing activities | | |
| Net movement in property, plant and equipment | (140 922) | (120 059) |
| Purchase of biological assets | (8 975) | - |
| Net movement in intangible assets | (20 538) | (8 059) |
| Business combination | 3 330 183 | (77 217) |
| Sale of business and deemed disposal of subsidiaries | 1 203 | (4 303 642) |
| Movement in other investing activities | 7 202 | 671 |
| Purchase of financial assets | (358 442) | (85 056) |
| Sale of financial assets | 1 038 207 | - |
| Funds in trust | (110 000) | - |
| Dividend received by associates | 18 868 | 18 746 |
| Net cash flows from investing activities | 3 756 786 | (4 574 616) |
| Cash flows from financing activities | | |
| Repayment of other financial liabilities | (149 290) | (80 573) |
| Proceeds from other financial liabilities | 774 | 20 492 |
| Movement in other financing activities | (15 175) | (869) |
| Change in ownership | (9 600) | 4 322 980 |
| Dividends paid including minorities | (217 078) | (71 795) |
| Net cash flows from financing activities | (390 369) | 4 190 235 |
| Total cash movement for the year | 3 509 561 | (253 567) |
| Cash and cash equivalent at the beginning of the year | 326 935 | 580 502 |
| Cash and cash equivalents at the end of the year | 3 836 496 | 326 935 |

ANNEXURE A – continued

CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2019

BASIS OF PREPARATION

The condensed reviewed consolidated annual financial statements are prepared in accordance with the Johannesburg Stock Exchange Ltd (“JSE”) Listings Requirements and the requirements of the Companies Act, applicable to summarised audited financial statements. The JSE Listings Requirements require financial reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of the International Financial Reporting Standards (“IFRS”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and also that they, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the summarised consolidated annual financial statements from which the summary consolidated annual financial statements were derived are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

This summarised report is extracted from the audited financial statements but is not itself audited. The directors take full responsibility for the preparation of the condensed report and that the financial information has been correctly extracted from the underlying annual financial statements. The full audited annual financial statements and audit report are available for inspection at the registered offices and at www.aeei.co.za.

The audited annual financial results were prepared by the Group financial controller, Rufaro Chanakira CA (SA), under the supervision of Group financial manager, Michelle Hunlun CA (SA), and were audited by the Group’s external auditors, BDO South Africa Inc. who issued an unqualified opinion.

REPORTING ENTITY

African Equity Empowerment Investments Ltd (“AEEI”) is a company domiciled in South Africa. These provisional condensed consolidated annual financial statements as at and for the year ended 31 August 2019 comprise AEEI and its subsidiaries (“the Group”) and interest in associates and joint ventures. AEEI is a black-controlled entity, which holds interests in six sectors and promotes Broad-based Black Economic Empowerment, sound corporate governance and ethical practices.

USE OF JUDGEMENTS AND ESTIMATES

In preparing these provisional condensed annual financial statements, management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual financial results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 August 2019.

MEASUREMENT OF FAIR VALUES

The Group has an established control framework with respect to the measurement of fair values. The fair valuation calculations are performed by the Group’s finance department and operational team on an annual basis. The corporate finance department reports to the Group’s chief investment officer. The valuation reports are approved by the investment committee in accordance with the Group’s reporting policies.

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

BUSINESS COMBINATIONS - ASSOCIATE BECOMES A SUBSIDIARY

On 21 December 2018, the Group regained control over AYO, and consolidated AYO from this date. The change in control stemmed from AEEI’s ability to direct the relevant activities as a result of the AYO board changes based on the IFRS 10 control assessment. AEEI’s investment in AYO was previously classified as an associate and was accounted for using the equity method in accordance with IAS 28 Investment in associates.

AYO and its underlying subsidiaries was consolidated with effect from 22 December 2018 with a carrying value of net identifiable assets of R4.59bn, which included an intangible asset resulting from a major contract amounting to R65.25m and non-controlling interest of R2.32bn. Due to the aforementioned, the fair value of the previously held investment equated to R2.3bn resulting in no goodwill or gain on bargain purchase. However, the deemed disposal of the associate resulted in an accounting loss of R2.48bn.

NOTES TO CONDENSED FINANCIAL STATEMENTS (continued)

Non-controlling interest is measured at its proportion percentage of the recognised amounts of the acquiree's identifiable net assets. AYO's revenue of R1.6bn and profit of R153m has been included in the Group's trading results which includes Zaloserve's revenue of R748m and profit of R31m since the effective acquisition date. The fair values of the identifiable assets and liabilities are summarised in the aggregate business combination table below:

Aggregated business combination note

| | R'000 |
|---|------------------|
| Property, plant and equipment | 107 094 |
| Goodwill | 105 704 |
| Intangible assets | 116 368 |
| Investment in joint ventures | 33 |
| Other financial assets | 1 072 534 |
| Finance lease receivable | 8 155 |
| Deferred tax | 18 018 |
| Inventories | 174 050 |
| Trade and other receivables | 381 200 |
| Current tax receivable | 1 442 |
| Cash and cash equivalents | 3 413 784 |
| Other financial liabilities | (244 403) |
| Trade and other payables | (440 992) |
| Provisions | (29 339) |
| Current tax payable | (8 230) |
| Bank overdraft | (531) |
| Total identifiable net assets | 4 684 123 |
| Non-controlling interests | (2 341 898) |
| Fair value of previously held interest | 2 266 381 |
| Goodwill | 37 107 |
| Total | 112 953 |
| Consideration paid | 112 953 |
| Cash | 83 070 |
| Present value of contingent consideration | 29 883 |
| Net cash (outflow)/inflow on acquisition date: | 3 330 183 |
| Cash consideration paid | (83 070) |
| Cash acquired | 3 413 253 |

Business combinations during the year

Acquisition of SGT Solutions Proprietary Limited

On 9 February 2019, Competition Commission approval was obtained for the acquisition of an effective 80% shareholding in SGT Solutions Proprietary Limited ("SGT") via a special purpose vehicle, Main Street 1653 Proprietary Limited ("Main Street") for a purchase consideration of R100m. On 28 February 2019 all conditions precedent in terms of the agreements were met, allowing the Group to acquire the aforementioned effective shareholding in SGT, effective 01 March 2019. The consideration includes a cash portion of R60m and a contingent consideration of R40m, if the company achieves profit warranties for the 2020 and 2021 financial years. In terms of IFRS 10 Consolidated Financial Statements, the acquisition date is determined as 01 March 2019 when all conditions precedent was met for the Group to control Main Street.

SGT is a turnkey solutions integrator specialising in the design, supply, deployment, commissioning and maintenance of multi - technology telecommunication systems for mobile broadband and converged solutions, through partnerships with its customers and technology providers. SGT specialises in integrated, leading-edge and comprehensive solutions across the entire spectrum of telecommunications. SGT has been operating in South Africa for the past fourteen years.

The fair value of the assets acquired, and liabilities are summarised in the aggregate business combination table above. The contingent consideration arrangement for SGT required the Group to pay the former owners of SGT for achieving certain earn-out targets for the 2020 and 2021 financial years, up to a maximum undiscounted amount of R20 million for each financial year. The fair value of the contingent consideration arrangements was calculated as the present value of the future expected cash flows. The calculation was based on the assumption that the earn-out targets will be met based on the best available forecast information at acquisition date and were discounted at the weighted average cost of capital of the relevant subsidiary.

The acquisition related costs of R1.3m which have been included in the operating expenses in the statement of profit and loss and other comprehensive income. Goodwill is attributable to the strong position and profitability in SGT trading in the telecommunications market and synergies are expected to arise after the Company's acquisition of the new subsidiary.

ANNEXURE A – continued

CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Revenue of R220m and profit contribution of R19,5m has been included in the Group's trading results since the acquisition date. Had Main Street been consolidated from 1 September 2018 the revenue and profit after tax would have been R477m and R28m respectively.

Acquisition of Global Command and Control Technologies Proprietary Limited

On 13 December 2018, the Group acquired an effective 88% of the ordinary share capital in Global Command and Control Technologies Proprietary Limited ("GC²T"). GC²T purchased the command, control, training and simulation business as a going concern from Saab Grintek Defence Proprietary Limited for a cash consideration of R23m. The effective date of the transaction when the conditions precedent were fulfilled was 1 March 2019. AEEI acquired this business to strengthen its intellectual asset base and to expand its footprint into Africa as part of its strategic objectives.

The fair value of the assets acquired, and liabilities assumed are summarised in the aggregate business combination table above.

Revenue of R25m and a loss contribution of R6.3m has been included in the Group's trading results since the acquisition date

2. ADDITIONS TO OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

On 28 September 2018, the AEEI Group through its subsidiary AYO, purchased 32% of the issued shares in Bamebelela Capital (Pty) Ltd ("Bamebelela") for a nominal amount. The 32% shareholding does not represent a significant influence over the entity. This is because the Group has no representation on the board of directors and does not participate in any financial or operating activities in Bamebelela. The voting rights only provide the Group with limited decision-making. The investment has been accounted for as an investment at fair value. Bamebelela holds a 49% interest in Vunani (Pty) Ltd, a diversified financial services group.

On 4 March 2019, the AEEI Group through its subsidiary AYO, subscribed for 19% of the share capital in KSA (Pty) Ltd ("KSA"). KSA is a company established online by AYO and Loot (Pty) Ltd to specialise in e-commerce with a key focus being on the business-to-business online marketplace for fashion, luxury goods and services in Africa. KSA's key focus will be on marketing locally manufactured goods and global brands.

Loans receivable at amortised cost

The Group subscribed for 500 000 cumulative redeemable non-participating convertible "C" class preference shares of no-par value in Bamebelela for a consideration of R145m. Interest is accrued at variable prime rate multiplied by a dividend adjustment of 72%. Interest accrued is R11m for the year under review.

The loan with Tamlalor (Pty) Ltd is unsecured and bears interest at prime. The loan is repayable on 28 February 2024.

The loan with Volt Business Solutions (Pty) Ltd bears interest at prime plus 2% per annum and 50% of the balance is repayable on 1 January 2020 with the remaining balance on 1 January 2024.

The loan with Cortex Logic (Pty) Ltd ("Cortex") has no fixed repayment terms and bears interest at a rate of prime plus 2%. The loan is secured by a guarantee and pledge of shares in Cortex by the majority shareholders.

| Other financial assets | 31 August 2019 R'000 | 31 August 2018 R'000 |
|--|-------------------------|-------------------------|
| Fair value through profit and loss: | | |
| Investments in unlisted public companies | 36 113 | 36 113 |
| Investments in unlisted private companies | 200 837 | 181 051 |
| Investments in listed public companies | 22 847 | 202 201 |
| Other | 9 388 | - |
| Total fair value through profit and loss | 269 185 | 419 905 |
| Loans and receivable at amortised cost: | | |
| Bamebelela Capital (Pty) Ltd | 150 996 | - |
| Tamlalor (Pty) Ltd | 103 026 | - |
| Volt Business Solutions (Pty) Ltd | 11 534 | - |
| Cortex Logic (Pty) Ltd | 11 432 | - |
| Supplier development | 24 462 | - |
| Other | 12 431 | 11 808 |
| Total loans and receivables at amortised cost | 313 881 | 11 808 |
| Total other financial assets | 583 066 | 431 713 |

3. DISPOSAL OF OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

On 26 February 2019, the AEEI Board of directors accepted the non-binding offer by Pioneer Foods Group Ltd ("PFG") to repurchase 1 589 998 Pioneer Foods shares and 1 598 998 Quantum Foods Holding shares for the purchase consideration of R78.19 and R3.30 per share respectively. The proceeds were used to redeem all outstanding liabilities in respect of the A preference shares and B preference shares as well as settle all outstanding dividends on the latter shares by 27 May 2019.

The financial impact on the Group is the net proceeds received from the disposal of the Pioneer Foods and Quantum Foods shares, before any tax liability, amounts to R17m.

4. EXPANSION OF THE ABALONE FARM

During the current reporting year, the carrying value of plant and machinery increased from R61m to R81m within the fishing and brands division as a result of the abalone farm expansion. Assets under construction increased to R121m compared to R30m in the prior year, where R90m was transferred to buildings and plant and machinery. As at 31 August 2019, Premier's directors authorised capital expenditure of R40m that has not been contracted for relating to the abalone farm expansion.

5. EVENTS AFTER REPORTING DATE

On 13 September 2019, the AEEI Group via its subsidiary AYO, acquired an additional 43% shareholding in Puleng Technologies (Pty) Ltd from the minority shareholders for a purchase consideration of R38.5m and increasing its effective shareholding to 100%. A final gross dividend of 6.00 cents per share has been declared and approved by the Board of directors in respect of the financial year ended 31 August 2019 after the reporting period but before the financial statements were authorised for issue. The directors are not aware of any other material facts or circumstances which occurred between the statement of financial position date and the date of this report that would require any adjustments to the consolidated annual financial statements.

6. FAIR VALUE INFORMATION

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other techniques for all inputs which have a significant effect on the recorded fair value and are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 August 2019, the Group held the following instruments measured at fair value:

| | Fair value hierarchy | 2019 | 2018 |
|--|----------------------|----------------|----------------|
| Recurring fair value measurements | | R'000 | R'000 |
| Abalone | Level 3 | 83 260 | 68 021 |
| Intangible assets acquired through business combinations | | | |
| Patents and trademarks | | 4 157 | 23 225 |
| Licences and technologies | | 4 157 | - |
| Brands | | 12 829 | 17 028 |
| Software development | | 7 344 | 15 |
| Customer contracts and lists | | 76 034 | - |
| Distribution rights | | 9 876 | - |
| Total intangible assets | Level 3 | 114 391 | 40 268 |
| Financial assets designated at fair value through profit/(loss) | | | |
| Listed shares | Level 1 | 22 847 | 202 201 |
| Investments in unlisted private companies | Level 3 | 210 225 | 181 591 |
| Investments in unlisted public companies | Level 3 | 36 113 | 36 113 |
| Total financial assets designated at fair value through profit/(loss) | | 269 185 | 419 905 |
| Loans and receivables | | 313 881 | - |
| Total financial assets | | 583 066 | 419 905 |
| Financial liabilities at fair value through profit/(loss) | | | |
| Other financial liabilities | | 39 297 | 226 720 |
| Contingent consideration liability | | 44 977 | - |
| Total financial liabilities at fair value through profit/(loss) | | 84 274 | 226 720 |

ANNEXURE A – continued

CONDENSED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Refer to fair value adjustments in the Group's statement of profit or loss and other comprehensive income.

7. DIVIDENDS

The Board of directors is pleased to announce that it has approved and declared a dividend of 6.00 cents per share for the year ended 31 August 2019 from income reserves. The dividend amount, net of South African dividend tax of 20% which equates to 4.80 cents per share, is therefore 9.60 cents per share for those shareholders that are not exempt from dividend tax.

The number of ordinary shares in issue at declaration date is 491 022 434 and the income tax number of the Company is 9314001034. Share certificates may not be dematerialised or rematerialised between Wednesday, 29 January 2020 and Friday, 31 January 2020, both days inclusive.

8. EARNINGS PER SHARE AND RECONCILIATION OF REPORTABLE SEGMENTS PROFIT OR LOSS

Reconciliation of reportable segments profit and loss

| | Audited 31 August 2019 R'000 | Audited 31 August 2018 R'000 |
|---|------------------------------------|------------------------------------|
| Total (loss)/profit before tax for reportable segments | (2 388 102) | 6 010 650 |
| Taxation | 996 841 | (1 062 789) |
| (Loss)/profit from continuing operations | (1 391 261) | 4 947 861 |
| Profit from discontinued operations | - | 159 533 |
| Other comprehensive income | (254) | - |
| (Loss)/profit for the year and total comprehensive loss income | (1 391 515) | 5 107 394 |

Determination of headline earnings

| | | Audited 31 August 2019 R'000 Gross | Audited 31 August 2019 R'000 Nett | Audited 31 August 2018 R'000 Nett |
|---|---------|---|--|--|
| Earnings attributable to ordinary equity holders of parent entity | IAS 33 | | (1 493 605) | 4 992 064 |
| Adjusted for: | | | | |
| Impairment of intangible assets | IAS 38 | 80 265 | 52 022 | 95 625 |
| Impairment of goodwill | IAS 36 | 9 920 | 9 920 | 11 937 |
| Loss on disposal of property, plant and equipment | IAS 16 | 1 303 | 938 | 3 541 |
| (Gain)/loss on disposal of associates | IAS28 | - | - | (1 491) |
| (Gain)/loss on disposal of subsidiaries | IFRS 3 | 1 345 | 1 345 | 1 985 |
| Gain on bargain purchase | IFRS 3 | - | - | (952) |
| Loss/(gain) on deemed disposal of associate or subsidiary | IFRS 10 | 2 480 713 | 2 480 713 | (4 983 624) |
| Deferred tax effect on deemed disposal of associate | IAS 12 | (555 770) | (555 769) | - |
| Headline earnings | | | 495 565 | 119 085 |
| Headline and diluted earnings per ordinary share (cents) | | | 100.89 | 24.24 |

Determination of normalised headline earnings

| | | |
|---|----------|---------|
| Headline earnings | 495 565 | 119 085 |
| Net impairments | (400) | - |
| Share based payment | - | 11 |
| Fair value adjustments | 57 871 | 5 414 |
| Deferred tax on fair value adjustments | (12 963) | (1 213) |
| Normalised headline earnings | 540 073 | 123 297 |
| Normalised headline and diluted earnings per ordinary share (cents) | 109.95 | 25.09 |

9. SEGMENTAL ANALYSIS - 31 AUGUST 2019

| 2019 | Fishing and brands R'000 | Technology R'000 | Telecommunications R'000 | Combined technology and telecommunication R'000 | Health and beauty R'000 | Biotechnology R'000 | Events and tourism R'000 | Corporate R'000 | Group R'000 |
|---|--------------------------|------------------|--------------------------|---|-------------------------|---------------------|--------------------------|-----------------|-------------|
| Revenue | 575 007 | 1 663 465 | - | 1 663 465 | 42 311 | - | 103 363 | 249 484 | 2 633 630 |
| External sales | 573 986 | 1 640 903 | - | 1 640 903 | 42 219 | - | 79 718 | 40 542 | 2 377 368 |
| Intergroup sales | 1 021 | 22 562 | - | 22 562 | 92 | - | 23 645 | 208 942 | 256 262 |
| Segment results: | | | | | | | | | |
| Profit/(loss) before tax | 101 257 | 123 839 | - | 123 839 | 1 057 | (67 771) | (42 341) | (2 504 143) | (2 388 102) |
| Included in the segment results: | | | | | | | | | |
| Net (impairments)/impairment reversals and write offs | - | (21 529) | - | (21 529) | - | (60 644) | - | (400) | (82 573) |
| Depreciation and amortisation | (10 761) | (59 027) | - | (59 027) | (211) | (2 163) | (163) | (1 376) | (73 701) |
| Loss on deemed disposal of associate | - | - | - | - | - | - | - | (2 480 713) | (2 480 713) |
| Fair value adjustments | - | (43 358) | - | (43 358) | - | - | 38 | (14 551) | (57 871) |
| Non-current assets | 515 203 | 675 047 | - | 675 047 | 40 131 | 163 683 | 15 396 | 1 092 075 | 2 501 535 |
| Current assets | 417 467 | 4 481 802 | - | 4 481 802 | 20 546 | 1 131 | 7 829 | 24 000 | 4 952 776 |
| Non-current liabilities | 133 579 | 56 238 | - | 56 238 | 9 504 | - | - | 84 307 | 283 628 |
| Current liabilities | 80 592 | 596 237 | - | 596 237 | 7 520 | 3 240 | 16 652 | 62 752 | 766 992 |
| Profit from associates | - | 38 970 | 24 644 | 63 634 | - | - | - | - | 24 644 |
| Capital expenditure | 126 372 | 24 573 | - | 24 573 | 36 | - | 81 | 592 | 151 653 |

SEGMENTAL ANALYSIS (continued)

Group segmental report – 2019 (continued)

| 2018 | Fishing and brands R'000 | Tech-nology R'000 | Tele-communi-cations R'000 | Combined technology and tele-communi-cation R'000 | Health and beauty R'000 | Biotech-nology R'000 | Events and tourism R'000 | Corporate R'000 | Food R'000 | Combined corporate strategic invest-ments R'000 | Group R'000 |
|---|--------------------------|-------------------|----------------------------|---|-------------------------|----------------------|--------------------------|-----------------|------------|---|-------------|
| Revenue | 490 870 | - | - | - | 46 961 | - | 123 716 | 110 625 | 6 661 | 117 286 | 778 833 |
| External sales | 490 859 | - | - | - | 46 961 | - | 121 576 | 34 634 | 6 661 | 41 295 | 700 691 |
| Inter-group sales | 11 | - | - | - | - | - | 2 140 | 75 991 | - | 75 991 | 78 142 |
| Segment results: | | | | | | | | | | | |
| Profit/(loss) before tax | 92 588 | - | 57 905 | 57 905 | 4 777 | (153 285) | (6 321) | 6 052 154 | (37 168) | 6 014 986 | 6 010 650 |
| Discontinued operations | - | 159 533 | - | 159 533 | - | - | - | - | - | - | 159 533 |
| Included in the segment results: | | | | | | | | | | | |
| Net (impairments)/impairment reversals and write offs | - | - | - | - | (3) | (139 791) | - | (525) | - | (525) | (140 319) |
| Depreciation and amortisation | (14 685) | - | - | - | (198) | (2 226) | (211) | (2 658) | - | (2 658) | (19 978) |
| Gain on bargain purchase | - | - | - | - | - | - | - | - | - | - | - |
| Gain on disposal of subsidiaries/business | - | - | - | - | - | - | - | 6 049 029 | - | 6 049 029 | 6 049 029 |
| Fair value adjustments | - | - | - | - | - | - | - | 28 357 | (33 771) | (5 414) | (5 414) |
| Non-current assets | 434 949 | - | 819 726 | 819 726 | 40 598 | 204 322 | 11 228 | 5 019 005 | 175 323 | 5 194 328 | 6 705 151 |
| Current assets | 614 575 | - | 20 | 20 | 19 775 | (1 530) | 17 611 | 6 568 | 106 | 6 674 | 657 125 |
| Non-current liabilities | 130 802 | - | - | - | 10 479 | 55 111 | 2 854 | 1 158 102 | 129 514 | 1 287 616 | 1 486 862 |
| Current liabilities | 147 744 | - | 24 | 24 | 8 595 | 746 | 11 393 | 41 863 | - | 41 863 | 210 365 |
| Profit from associates | - | - | 57 914 | 57 914 | - | - | - | - | - | - | 57 914 |
| Capital expenditure | 116 400 | - | - | - | - | - | 70 | 224 | - | 224 | 116 694 |

Notes

The events and tourism division excludes Magic 828 (Pty) Ltd (Magic828), as the company was managed under the corporate office for the financial year under review. During the year, management assessed the above segments' profits/losses using profit before tax as a result of the Group moving towards becoming an investment entity whereby both subsidiaries and equity accounted investments are being assessed.

10. RELATED PARTIES

The Group, in the ordinary course of business, entered into various sales and purchases transactions on an arm's length basis with related parties.

11. CHANGE IN THE DIRECTORATE

Messrs AM Salie, TT Hove, JM Gaomab and Ms Z Barends did not make themselves available for re-election at the AGM held on 18 January 2019 and voluntarily elected to step down from the Board. Ms CF Hendricks voluntarily elected to step down from the Board as an executive director of the Company on 18 January 2019 but continues in her role as an executive for Corporate Affairs and Sustainability.

Mr Ismet Amod was appointed to the Board of directors as a non-executive director effective 21 January 2019 as well as a member of the audit and risk committee. Reverend Dr Vukile Charles Mehana resigned as an independent non-executive director of the Board and its committees effective 14 March 2019.

Ms Moleboheng Gabriella Mosia and Mr Gaamiem Colbie were appointed to the Board of directors as non-executive directors effective 30 August 2019. Mr JS van Wyk was appointed post year-end on 23 September 2019 as the lead independent non-executive director. Mrs AB Amod was appointed as the non-executive chairperson of the Board on 9 December 2019. Due to the changes on the Board during the year, the committees were restructured.

12. EMPLOYMENT EQUITY ACT SUMMARY (UNAUDITED)

The Group has been successful in providing equal employment opportunities and in promoting internal employees, and it remains committed to driving employment equity goals and enhancing diversity across the Group. The Group subscribes to the Employment Equity Act, 1998 (No. 55 of 1998) and senior executives work with the Department of Labour to ensure ongoing compliance and proactive implementation of regulations and plans. Open dialogue is encouraged between employees and management through our information sessions and committees. In terms of section 22 of the Act, herewith a summary of the Group's 2019 Employment Report in respect of its operations as at 31 August 2019, as required by section 21 of the Act.

Employment equity act summary

| | Non-designated groups | | | Designated groups | | | Designated groups | | | | Total |
|---|-----------------------|----------|----------|-------------------|------------|------------|-------------------|------------|-----------|------------|--------------|
| | Foreign nationals | | | Male | | | Female | | | | |
| | W | M | F | A | C | I | A | C | I | W | |
| Occupational levels | 0 | 0 | 0 | 1 | 2 | 1 | 1 | 2 | 0 | 0 | 7 |
| AEEI board members | 19 | 1 | 0 | 7 | 9 | 7 | 3 | 4 | 1 | 1 | 51 |
| Top management | 22 | 0 | 0 | 10 | 10 | 20 | 5 | 5 | 2 | 6 | 80 |
| Senior and middle management | 140 | 1 | 1 | 41 | 27 | 27 | 12 | 15 | 4 | 43 | 279 |
| Skilled Upper | 80 | 0 | 2 | 125 | 80 | 32 | 92 | 49 | 20 | 58 | 536 |
| Semi-skilled | 14 | 0 | 0 | 275 | 126 | 8 | 47 | 30 | 10 | 21 | 531 |
| Labour/unskilled | 0 | 0 | 0 | 75 | 62 | 0 | 29 | 11 | 1 | 0 | 178 |
| Seasonal | 0 | 0 | 0 | 35 | 202 | 0 | 6 | 15 | 0 | 0 | 89 |
| Contract workers including Interns and fixed term contracts | 38 | 0 | 0 | 202 | 87 | 10 | 64 | 35 | 3 | 11 | 450 |
| Total | 283 | 2 | 3 | 771 | 436 | 105 | 259 | 166 | 41 | 140 | 2 201 |

ANNEXURE B

GENERAL INFORMATION IN RESPECT OF DIRECTORS, MAJOR SHAREHOLDERS AND DIRECTORS' INTEREST IN SECURITIES, MATERIAL CHANGES AND THE SHARE CAPITAL OF THE COMPANY

EXECUTIVE DIRECTORS

CHIEF EXECUTIVE OFFICER

Khalid Abdulla (54)

MBA (UCT), BCompt (Hons), CTA (Unisa), Project Management (UCT)

Appointed: 29 August 2007

Nationality: South African

Expertise and experience: Mr Abdulla is the Group chief executive officer (CEO) of AEEI and has been with the Group since 1999. He served as the CEO of various subsidiaries, i.e. the information technology and financial services businesses and as Group chief financial officer (CFO) in 2007 before being appointed as Group CEO in November 2009. Mr Abdulla has been appointed to and serves on various boards, committees and non-governmental organisations (NGOs). He has more than 30 years' commercial experience related to fishing, technology, health, biotherapeutics, events and tourism and financial services. He is a regular invitee to and participant at the World Economic Forum in Africa as well as the Summer Davos in China. He was a speaker for the Department of Trade and Industry at conferences in the United Kingdom and Germany for "Investing into South Africa". Mr Abdulla is the recipient of many awards, including the Global Leadership Excellence Award presented at the World Leadership Congress and Awards which took place in Mauritius; overall winner of the Inaugural South African Vision 2030 Future Maker: Driver for Change 2017 Award; and the overall winner at the Oliver Empowerment Awards as SA's most Empowered Business Leader of the Year (2017). Financial Mail voted him as one of the best CEOs in the country in 2016 and also ranked him among the 10 best executives of 2015. Mr Abdulla was the recipient of the prestigious Black Business Executive Circle/Absa Bank Kaelo Award for giving guidance and leadership to grow junior and middle management.

Major directorships: Premier Fishing and Brands Ltd, BT Communication Services South Africa (Pty) Ltd, Saab Grintek Defence (Pty) Ltd, Health System Technologies (Pty) Ltd, espAfrika (Pty) Ltd, Bioclones (Pty) Ltd, Premier Fishing SA (Pty) Ltd, Puleg Technologies (Pty) Ltd, Kalula Communications (Pty) Ltd trading as Headsets Solutions, Orleans Cosmetics (Pty) Ltd, Tripos Travel (Pty) Ltd, AfriNat (Pty) Ltd, Magic 828 Music Radio (Pty) Ltd, SGT Solutions (Pty) Ltd and Global Control and Command Technologies (Pty) Ltd

CHIEF FINANCIAL OFFICER

Chantelle Rae Ah Sing (45)

BCom (Nelson Mandela University), Post-graduate diploma in Accounting (University of KwaZulu-Natal)

Appointed: 19 November 2009

Nationality: South African

Expertise and experience: Ms Ah Sing is the Group CFO of AEEI and was appointed to the AEEI Board as an executive director in November 2009. She joined the Group in 2007 under the health and biotherapeutics divisions, where she was promoted to the role of financial director. She has more than 15 years' experience in the commercial sector and held various operational and financial management positions within various industries including service, manufacturing, healthcare and biotechnology after she qualified as a chartered accountant.

Major directorships: Premier Fishing SA (Pty) Ltd, AfriNat (Pty) Ltd, Bioclones (Pty) Ltd, Ribotech (Pty) Ltd and Saab Grintek Defence (Pty) Ltd

ANNEXURE B – continued

GENERAL INFORMATION IN RESPECT OF DIRECTORS, MAJOR SHAREHOLDERS AND DIRECTORS' INTEREST IN SECURITIES, MATERIAL CHANGES AND THE SHARE CAPITAL OF THE COMPANY

NON-EXECUTIVE CHAIRPERSON

Aziza Begum Amod (57)**Appointed:** 12 November 2012**Nationality:** South African

Expertise and experience: Mrs Amod is a professional director, businesswoman, philanthropist and entrepreneur with more than 30 years of business experience in the retail sector. She provides consultancy to women-owned businesses in the areas of impact investment, social innovation and technology applications for social impact in the food and retail sector. Mrs Amod has been featured and published in numerous articles in relation to business and female entrepreneurs. She is a well-known philanthropist supporting a number of NGOs, outreach programmes and serves on the board of trustees of numerous philanthropic associations. She currently serves as a director and trustee on various business entities and trusts.

Major directorships: Health System Technologies (Pty) Ltd, AYO Technology Solutions Ltd and Premier Fishing and Brands Ltd

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Jowayne Shadwill van Wyk (33)

CA(SA),BAcc (Hons), BCom, SAICA Independent Reviewer Certificate

Appointed: 23 September 2019**Nationality:** South African

Expertise and experience: Mr van Wyk is a qualified CA(SA) registered with the South African Institute of Chartered Accountants (SAICA) and holds a SAICA Independent Reviewer Certificate. He also holds a BAcc Honours and a BCom degree from Stellenbosch University. Mr van Wyk is currently the financial director for Van Wyk Chartered Accountants and the financial controller for Guala Closures South Africa and has over 10 years' experience in the accounting field.

Major directorships: Your Service Specialist (Pty) Ltd, Rexcor Innovations (Pty) Ltd and Masikhulisani Accountants (Pty) Ltd

INDEPENDENT NON-EXECUTIVE DIRECTOR

Advocate Dr Ngoako Abel Ramathodi (64)

BA Law and LLB (National University of Lesotho), MSc in International Relations (University of Zimbabwe), admitted to the Bar of Lesotho and South Africa as an Advocate, Honorary Doctor of Law Degree (University of Limpopo)

Appointed: 7 March 2018**Nationality:** South African

Expertise and experience: Advocate Dr Ramathodi is an experienced businessman, lawyer and advocate. He was the Premier of Limpopo and held the positions of Minister of Public Services, Minister of Mineral Resources and Deputy Minister of Correctional Services and was a member of the South African Parliament. Advocate Dr Ramathodi is a founder member and the first chairman of the University of the North Arts and Drama Association and chairman of the Central Cultural Committee. He lectured Public International Law at the University of the North. He maintains board positions in a number of other companies.

Major directorships: Premier Fishing and Brands Ltd, AYO Technology Solutions Ltd and Ebeneza Oils (Pty) Ltd

INDEPENDENT NON-EXECUTIVE DIRECTOR

Moleboheng Gabriella Mosia (27)

Bachelor of Law (Wits University)

Appointed: 30 August 2019**Nationality:** South African

Expertise and experience: Ms Mosia has experience in arbitration and as a legal advisor in corporate services.

Major directorships: The Bridge of Hope Wines

INDEPENDENT NON-EXECUTIVE DIRECTOR

Gaamiem Colbie (30)

Baccalaureus Technologiae Cost and Management Accounting

Appointed: 30 August 2019

Nationality: South African

Expertise and experience: Mr Colbie is an experienced financial professional with a history of working in a large investment holding company. In his current role he plays a lead role in the preparation of audited financial statements, tax returns, investment-related reports and schedules to support financial reports. He has several years' experience in the financial industry working in both the public and corporate sectors.

Major directorships: Last Mile Logistics (Pty) Ltd, Brightside Consulting (Pty) Ltd and Property 360 (Pty) Ltd.

NON-EXECUTIVE DIRECTOR

Ismet Amod (63)

National Diploma in Civil Engineering

Appointed: 21 January 2019

Nationality: South African

Expertise and experience: Having spent several years in the industry, Mr Amod completed various entrepreneurship business courses before joining a food ingredient business as a managing director. During that period, he was appointed to take charge of a subsidiary in the Sekunjalo Investment group that dealt in medical devices, and equipment.

Drawing on his engineering background, he oversaw the design, construction and project management of a new biopharmaceutical facility, ensuring that it met international Good Manufacturing Practice (GMP) specification. His operational experience spans a period of 32 years that covers diverse industries.

Major directorships: Siemens (Pty) Ltd, Bioclones (Pty) Ltd, Ribotech (Pty) Ltd, Sekunjalo Independent Media Consortium Two (Pty) Ltd and Independent Media (Pty) Ltd

MAJOR SHAREHOLDERS

SHAREHOLDER INFORMATION AS AT 31 AUGUST 2019

The Company's shareholders as at 31 August 2019 can be summarised as follows:

ANALYSIS OF SHAREHOLDINGS AS AT 31 AUGUST 2019

| | Number of shareholders | Percentage of total shareholders | Number of shares | Percentage of total issued shares |
|----------------------|------------------------|----------------------------------|--------------------|-----------------------------------|
| 1 – 5 000 | 1 193 | 66.35 | 1 599 132 | 0.33 |
| 5 001 – 10 000 | 214 | 11.90 | 1 748 524 | 0.36 |
| 10 001 – 100 000 | 267 | 14.91 | 8 508 690 | 1.73 |
| 100 001 – 1 000 000 | 119 | 6.62 | 118 535 734 | 24.14 |
| 1 000 001 – and more | 4 | 0.22 | 360 630 354 | 73.44 |
| Total | 1 791 | 100.00 | 491 022 434 | 100.00 |

MAJOR SHAREHOLDERS (5% AND MORE OF THE SHARES IN ISSUE)

| | Number of shares | Percentage of total issued share capital |
|---|--------------------|--|
| Sekunjalo Investment Holdings (Pty) Ltd | 303 756 325 | 61.82 |
| Miramare Investments (Pty) Ltd | 44 859 927 | 9.13 |
| Total | 348 616 252 | 74.05 |

DISTRIBUTION OF SHAREHOLDERS

| | Shareholders | | Shares | |
|--|--------------|---------------|--------------------|---------------|
| | Number | Percentage | Number | Percentage |
| Individuals | 1 604 | 89.56 | 44 564 117 | 9.08 |
| Nominee companies and trusts | 86 | 4.80 | 37 615 724 | 7.66 |
| Public companies | 22 | 1.23 | 20 452 778 | 4.16 |
| Close corporations and private companies | 79 | 4.41 | 388 389 815 | 79.10 |
| Total | 1 791 | 100.00 | 491 022 434 | 100.00 |

NON-PUBLIC AND PUBLIC SHAREHOLDING

| | Shareholders | | Shares | |
|-------------------|--------------|---------------|--------------------|---------------|
| | Number | Percentage | Number | Percentage |
| Non-Public | 10 | 0.56 | 363 875 958 | 74.10 |
| Directors | 5 | 0.28 | 2 135 316 | 0.43 |
| > than 10% of I/C | 1 | 0.06 | 303 756 325 | 61.86 |
| Associates | 4 | 0.22 | 57 984 317 | 11.80 |
| Public | 1 771 | 98.88 | 127 146 476 | 25.90 |
| Total | 1 791 | 100.00 | 491 022 434 | 100.00 |

ANNEXURE B – continued

GENERAL INFORMATION IN RESPECT OF DIRECTORS, MAJOR SHAREHOLDERS AND DIRECTORS' INTEREST IN SECURITIES, MATERIAL CHANGES AND THE SHARE CAPITAL OF THE COMPANY

SHARE TRADING STATISTICS

| | |
|---|-------------|
| High | 500 |
| Low | 10 |
| Year-end | 165 |
| Volume traded (shares) | 8 966 736 |
| Value traded (Rand) | 26 913 410 |
| Volume of shares traded as a percentage of issued capital | 1.83 |
| Market capitalisation at 31 August 2019 (rand) | 810 187 016 |
| Market capitalisation at 16 January 2020 | 540 124 677 |

VOTING RIGHTS

SHARE CAPITAL

Authorised

1 000 000 000 "B" class ordinary shares (listed)

1 000 "A" class convertible redeemable cumulative preference shares

10 000 000 "B" class redeemable preference shares

15% of the "B" class ordinary shares in issue at the beginning of the financial year are at the disposal of the directors in terms of a resolution of shareholders passed at the last annual general meeting of the Company. This authority remains in force until the next annual general meeting of the Company.

"B" class ordinary shares each carries one vote per share.

Issued

491 022 434 "B" class ordinary shares

| | 2019 0'000 | 2018 0'000 |
|--|---------------|---------------|
| Reconciliation of number of issued "B" class ordinary shares | | |
| Opening balance | 491 339 | 491 339 |
| Share repurchase | (317) | - |
| Closing balance | 491 022 | 491 339 |

ANNEXURE C

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING

1. Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication ("Participants"), must apply to the Company's transfer secretaries to do so by delivering the form below ("the application") to the offices of the Company's transfer secretaries, Link Market Services, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, by no later than 08h00 on 20 March 2020.

The application may also be posted, at the risk of the Participant, to Link Market Services, PO Box 4844, Johannesburg, 2000, so as to be received by the transfer secretaries by no later than the time and date set out above.

2. Participants must note that they will not be able to vote during the annual general meeting. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the voting instructions contained in this notice of the annual general meeting, i.e. to the extent applicable:
- i. complete the form of proxy; or
 - ii. contact their CSDP.
3. Important notice
- 3.1 A total of 7 (seven) telecommunication lines will be available.
 - 3.2 Each Participant will be contacted between 19 and 20 March 2020 via email and/or SMS with a code and the relevant telephone number to allow them to dial in.
 - 3.3 The cost of the Participant's phone call will be for his/her own expense and will be billed separately by his/her own telephone service provider.
 - 3.4 The cut-off time to participate in the meeting will be 14h30 on 24 March 2020. No late dial-in will be accommodated.

THE APPLICATION FORM

| | |
|--|--|
| Full name of the shareholder | |
| ID number | |
| Email address | |
| Cell number | |
| Telephone number | |
| Name of CSDP or stockbroker (if shares are held in dematerialised format) | |
| Contact number of CSDP/stockbroker | |
| Contact person at CSDP/stockbroker | |
| Number of share certificate (if applicable) | |
| Signature | |
| Date | |

ANNEXURE C – continued

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING

TERMS AND CONDITIONS FOR PARTICIPATION AT THE ANNUAL GENERAL MEETING VIA ELECTRONIC COMMUNICATION

The cost of dialling in using a telecommunication line to participate in the annual general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.

The Participant acknowledges that the telecommunication lines are provided by a third party and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the annual general meeting.

Participants must note that they will not be able to vote during the annual general meeting. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the voting instructions contained in the notice of annual general meeting, i.e. to the extent applicable:

- complete the form of proxy; or
- contact their CSDP.

The application will only be deemed successful if this application form has been completed and fully signed by the Participant.

Shareholder name: _____

Signature: _____

Date: _____

ANNEXURE D

AFRICAN EQUITY EMPOWERMENT INVESTMENTS' (AEEI) REMUNERATION POLICY

INTRODUCTION

AEEI's remuneration committee is primarily responsible for overseeing the remuneration and incentives of the Group's executive directors and key management, as well as providing strategic guidance.

To assist in the achievement of AEEI's long-term strategic goals, the remuneration committee has a formal remuneration policy in place. Each major subsidiary has its own remuneration committee and a policy specific to its business unit, including the industry in which it operates, taking into account AEEI's long-term strategic goals.

The main aim of the committee is to assist the Board in fulfilling its responsibilities in establishing formal and transparent policies and guiding principles of a standardised approach in the application of remuneration practices within all its business units and functions.

OVERVIEW OF THE MAIN PROVISIONS OF THE REMUNERATION POLICY

The remuneration policy is aimed at aligning remuneration practices that will enable the committee to support the Group in achieving its strategic objectives, translating these into market-related yet affordable performance-linked rewards and ensuring balanced and transparent outcomes that align with shareholders' interests over the short and long-term, and ultimately enable the attraction and retention of valuable talent. Our approach to remuneration aligns to our ethical approach, corporate governance philosophy, shared values and best practices.

The remuneration policy is designed to achieve the following strategic objectives:

- Support the attainment of AEEI's strategic business objectives and strategies
- Attract, retain and motivate key and talented individuals
- Compete in the marketplace to be an employer of choice
- Reward individual, team and business performance and encourage superior performance
- Support AEEI's shared values
- Promote the achievement of the Group's strategic objectives within its risk appetite
- Promote positive outcomes
- Promote an ethical culture and responsible corporate citizenship

The remuneration policy addresses the Group's remuneration and includes provision for:

- arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation;
- the use of performance measures that support positive outcomes across the economic, social and environmental context in which the Group operates and all the capitals that the Group uses or affects; and
- the Company to attract, engage and retain talent to drive performance and to meet the Group's strategic objectives.

EXECUTIVES AND EMPLOYEES

The remuneration of the executives is reviewed annually by the remuneration committee, which seeks to ensure that balance is maintained between the fixed (base salary) and variable (discretionary bonus) elements of remuneration, as well as between the short-term (base salary and discretionary bonus) and the long-term financial performance objectives of the Group.

ANNEXURE D – continued

AFRICAN EQUITY EMPOWERMENT INVESTMENTS' (AEEI) REMUNERATION POLICY

Cost-to-company remuneration incorporates the following elements:

BASE SALARY

Base salary is guaranteed annual pay on a cost-to-company basis. It is subject to annual review and adjustments are effective 1 September of each year, coinciding with the commencement of the Group's financial year. Benchmarking is performed with reference to companies comparable in size, industry, business complexity and the level of responsibility that the individual assumes.

BENEFITS

Benefits form part of the total cost-to-company and include:

- membership to the pension/provident fund (providing death, disability and dread disease benefits);
- medical aid;
- unemployment insurance fund; and
- funeral cover.

COMPLIANCE

The remuneration policy is reviewed each year to ensure that the remuneration framework remains effective in supporting the achievement of the Company's business objectives and remains in line with best practice. AEEI complied with the remuneration policy and relevant remuneration governance codes and statutes. The recommended practice as stated under Principle 14 of King IV™ has been applied and is explained throughout this report through the outcomes achieved.

During the year, the committee engaged the services of an independent external advisor to support our endeavours to act independently and provide specialist input.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Executive directors do not have fixed-term contracts, but have permanent employment agreements with the Company. The remuneration of executives is determined on a cost-to-company basis and is subject to an annual review by the remuneration committee. Provident or pension fund and healthcare provision form part of the overall cost-to-company packages. Executive directors are members of the Group's provident fund and are required to retire from the Group as a director of the Board at the age of 65, unless requested by the Board to extend their term. There are no other special benefits for executive directors.

PRESCRIBED OFFICER

Mr Khalid Abdulla is not remunerated for his role as the prescribed officer of the Company.

PERFORMANCE APPRAISALS

Performance appraisals of the executive management team are done by the committee on an annual basis. Line managers and divisional managers also conducted performance appraisals on employees in the Group. The CEO conducted the performance appraisals of the divisional heads in the Group and provided feedback to the committee.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The non-executive directors receive fees for serving on the Board and its committees. The fees for non-executive directors are reviewed annually by AEEI's executive committee, and thereafter referred to the remuneration committee which seeks to ensure that the fees are market related and presented to the shareholders for approval.

The Board recommends the fees to shareholders for approval at the AGM of the Company. Consideration is given to the relative contribution of each non-executive director and their participation in the activities of the Board and its committees. Changes to the fee structure are effective 1 September, subject to the approval by shareholders at AEEI's AGM held in February of each year. The annual fees payable to non-executive directors are, as in the past, fixed and not subject to the attendance of meetings. In the event of non-attendance on a regular basis, same may be reviewed.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS' REMUNERATION

The 2019 remuneration of the executive directors is set out below:

| Executive | K Abdulla R'000 | CR Ah Sing R'000 | CF Hendricks* R'000 | AM Salie** R'000 | Total R'000 |
|-------------------|--------------------|---------------------|------------------------|---------------------|----------------|
| Salary | 3 845 | 1 470 | 446 | 802 | 6 563 |
| Bonus | 3 274 | 334 | 257 | 491 | 4 356 |
| Provident fund | 521 | 199 | 89 | 108 | 917 |
| Expense allowance | 74 | 20 | 9 | 14 | 117 |
| Total | 7 714 | 2 023 | 801 | 1 415 | 11 953 |

* Ms CF Hendricks' remuneration only reflects her time served on the Board from 1 September 2018 to 18 January 2019.

**Mr AM Salie's remuneration only reflects his time served on the Board from 1 September 2018 to 18 January 2019.

The 2019 remuneration of the non-executive directors is set out below:

| Non-executive | NA | | | | Total R'000 |
|-----------------|------------------|---------------------|---------------------|-----------------------|----------------|
| | AB Amod R'000 | Ramatlhodi R'000 | JM Gaomab* R'000 | VC Mehana ** R'000 | |
| Directors' fees | 212 | 227 | 95 | 265 | 799 |

*Mr JM Gaomab's remuneration only reflects his time served on the Board from 1 September 2018 to 18 January 2019.

**Reverend Dr VC Mehana's remuneration only reflects his time served on the Board from 1 September 2018 to 14 March 2019. Mr TT Hove and Ms Z Barends waived their non-executive fees for their time served on the Board from 1 September 2018 to 18 January 2019.

Mr Amod waived his non-executive fees for the time he served on the Board from 21 January 2019 to 31 August 2019.

Mr G Colbie and Ms M Mosia waived their non-executive fees.

AEEI covers all reasonable travelling and accommodation expenses incurred to attend Board and committee meetings.

Non-executive directors do not have any employment contracts, nor do they receive any benefits associated with permanent employment.

NON-BINDING ADVISORY VOTES ON THE REMUNERATION POLICY AND IMPLEMENTATION REPORT

In the event that there is less than 75% support for the above-mentioned reports at the AGM, the Board will invite dissenting shareholders to send reasons for such votes in writing. Thereafter, further engagements may be scheduled to appropriately address legitimate and reasonable objections and concerns raised.

IMPLEMENTATION REPORT

This part of the report focuses on the performance outcomes against the targets set for 2019.

SALARY INCREMENT

The committee reviewed the targets set in terms of performance-related remuneration for the CEO, executive management team and senior management in the Group, which include individual performance factors and a combination of portfolio-specific targets. For the year ended 31 August 2019, a general salary increase was approved based on the yearly average current price index of 6% for all employees in the Group.

ANNEXURE D – continued

AFRICAN EQUITY EMPOWERMENT INVESTMENTS' (AEEI) REMUNERATION POLICY

DISCRETIONARY BONUS

For the year ended 31 August 2019, the discretionary bonus was calculated as a percentage of the qualifying executive/senior management/employees' base salary according to seniority and the level of responsibility assumed. Qualifying executives and senior management received a discretionary cash bonus, dependent on them meeting both financial and qualitative strategic performance objectives. Employees received a discretionary cash bonus, dependent on them meeting both their personal and the Company's strategic objectives. Financial, qualitative, personal and Company strategic performance are aimed at ensuring sustainable long-term value creation to the benefit of all stakeholders. The total base salary and bonus paid were considered to be fair to the Company and the executive/senior manager/employee.

For the year ended 31 August 2019, the CEO and executive management team's performance was assessed against a set of predetermined objectives that include, inter alia, strategic leadership, execution of the strategy through business results and stakeholder relations. The successful delivery of the Group's objectives constitute both financial and non-financial performance measures, with the key financial measures, which include profits, cash flow and asset growth, weighted to 70% and the remaining 30% weighted to non-financial measures for most of the executives in the Group. The committee remains mindful of ensuring that overall remuneration was appropriate for the performance of the Group and in relation to its operational peers. In doing so, the committee considered the overall risk environment, its risk appetite and risk profile and the need to attract, retain and motivate key talent to enable the delivery of the Group's strategic objectives. (King IV™ – Principle 14)

SHAREHOLDER VOTING/FEEDBACK

As required by King IV™ and the JSE Listings Requirements, the Company will put a non-binding advisory vote to shareholders regarding the approval of the remuneration policy and the implementation report. The Company seeks the support from its shareholders at the upcoming AGM. If any shareholders are inclined not to support the resolutions, we would ask that the reasons for such decision be communicated to the Company so that consideration can be given to those reasons. Please forward any comments to the company secretary at damiem@aeei.co.za.

Should either vote receive 25% or more votes against, the Company will:

- issue a SENS announcement regarding the outcome of the voting results;
- invite shareholders to engage with the Company regarding their dissatisfaction with either of the votes;
- schedule engagements with concerned shareholders to record their concerns and objections;
- assimilate all responses and schedule a remuneration committee meeting to analyse concerns and issues raised with the aim of formulating changes to the policy and implementation required; and
- develop a formal response to shareholders that articulates the concerns raised, the details of where the changes will be made to address concerns raised and provide responses for areas where the Company, despite the shareholder feedback, believes its current policy and/or implementation is adequate

Results of the shareholders' votes at the most recent AGM held on 18 January 2019, as a percentage of the total number of shares voted at the AGM, is indicated below:

| | 2019 | 2018 |
|---|------|------|
| Approval of the remuneration policy | 100% | 100% |
| Implementation of the remuneration policy | 100% | 100% |
| Non-executive directors' fees | 100% | 100% |

A copy of the full remuneration policy is available on www.aeei.co.za/committees/.

FORM OF PROXY

AFRICAN EQUITY EMPOWERMENT INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa) Registration number 1996/006093/06
JSE share code: AEE ISIN: ZAE000195731
("AEEI" or "the Company")

Only for use by registered holders of certificated ordinary shares in the Company and the holders of dematerialised ordinary shares in the Company with "own name" registration at the annual general meeting of shareholders to be held at the AEEI Head Office, 1st Floor, Waterway House North, 3 Dock Road, V&A Waterfront on 24 March 2020 at 14h30.

All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the annual general meeting.

I/We (please print full names) _____

of (please print address) _____

being a shareholder of AEEI and the holder/s of _____ "B" ordinary shares hereby appoint:

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the chairperson of the annual general meeting; _____

as my/our proxy to attend, speak and vote on a show of hands or on a poll for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof in the following manner:

| | | "B" shares | | |
|-----|---|------------|---------|---------|
| | | For | Against | Abstain |
| 1. | To re-elect the following Directors who retire by rotation: | | | |
| | 1.1 Ordinary Resolution Number 1: Ismet Amod | | | |
| | 1.2 Ordinary Resolution Number 2: Moleboheng Mosia | | | |
| | 1.3 Ordinary Resolution Number 3: Gaamiem Colbie | | | |
| | 1.4 Ordinary Resolution Number 4: Jowayne Shadwill van Wyk | | | |
| | 1.5 Ordinary Resolution Number 5: Ngoako Abel Ramatlhodi | | | |
| | 1.6 Ordinary Resolution Number 6: Aziza Begum Amod | | | |
| 2. | To re-appoint the members of the audit and risk committee: | | | |
| | 2.1 Ordinary Resolution Number 7: Ismet Amod | | | |
| | 2.2 Ordinary Resolution Number 8: Jowayne Shadwill van Wyk | | | |
| | 2.3 Ordinary Resolution Number 9: Gaamiem Colbie | | | |
| | 2.4 Ordinary Resolution Number 10: Ngoako Abel Ramatlhodi | | | |
| 3. | Ordinary Resolution Number 11: Control of authorised but unissued "B" ordinary shares | | | |
| 4. | Ordinary Resolution Number 12: Approval to issue "B" ordinary shares and/or options for cash | | | |
| 5. | Ordinary Resolution Number 13: Remuneration policy | | | |
| 6. | Ordinary Resolution Number 14: Implementation of the remuneration policy | | | |
| 7. | Special Resolution Number 1: To approve the remuneration of the non-executive directors | | | |
| 8. | Special Resolution Number 2: To approve inter-company financial assistance | | | |
| 9. | Special Resolution Number 3: To approve financial assistance for the subscription or purchase of shares in the Company or in a related or inter-related company | | | |
| 10. | Special Resolution Number 4: Approval for the Company or its subsidiaries to repurchase shares of the Company | | | |

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided should you wish to vote all of your shares.

Signed at _____ on this _____ day of _____ 2020.

Signature(s) _____

Assisted by (where applicable) (state capacity and full name) _____

NOTES TO FORM OF PROXY

1. The form of proxy must only be used by certified shareholders or dematerialised shareholders who hold dematerialised shares in their own name.
2. Shareholders are reminded that the *onus* is on them to communicate with their CSDP or broker
3. A shareholder entitled to attend and vote may insert the name of a proxy or the name of two alternative proxies of the shareholder's choice in the space provided, without deleting "the chairperson of the annual general meeting". A proxy need not be a shareholder of the Company. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held.
5. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting, provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairperson of the annual general meeting prior to the commencement of the annual general meeting, excluding Saturdays, Sundays and public holidays.
7. If a shareholder does indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instruction, or should any further resolution(s), or any amendment(s) which may properly be put before the annual general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
8. The chairperson of the annual general meeting may reject or accept any form of proxy, which is completed and/or received other than in compliance with these notes.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting, speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
10. Documentary evidence establishing the authority of a person signing the form in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the chairperson of the annual general meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
12. Where there are joint holders of shares:
 - Any one holder may sign the form of proxy.
 - The vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of the shareholders appear in the Company's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. Forms of proxy should be lodged with or mailed to Link Market Services.
14. Hand deliveries to: Link Market Services South Africa (Pty) Ltd, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001.
15. Postal deliveries to: Link Market Services South Africa (Pty) Ltd, PO Box 4844, Johannesburg, 2000.
16. Handed to the chairperson of the annual general meeting prior to the commencement of the annual general meeting, at any time before the appointed proxy exercises any shareholder rights at the annual general meeting.
17. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialed by the signatories.

ADMINISTRATION

COMPANY SECRETARY

Damien Terblanche - damien@aeei.co.za

EXECUTIVE MANAGEMENT TEAM

| | | |
|--------------------------------------|-------------------|----------------------|
| Group chief executive officer | Khalid Abdulla | khalid@aeei.co.za |
| Chief financial officer | Chantelle Ah Sing | chantelle@aeei.co.za |
| Corporate affairs and sustainability | Cherie Hendricks | cherie@aeei.co.za |
| Chief investment officer | Wakeel Mclachlan | wakeel@aeei.co.za |
| Prescribed officer | Khalid Abdulla | khalid@aeei.co.za |

BUSINESS ADDRESS AND REGISTERED OFFICE

Waterway House North, 3 Dock Road, V&A Waterfront, Cape Town, South Africa
Postal address: PO Box 181, Cape Town, 8000, South Africa
Telephone: +27 21 427 1500

EMAIL AND WEBSITE

Email address: info@aeei.co.za
Website: www.aeei.co.za

COMPANY REGISTRATION NUMBER

1996/006093/06

TRANSFER SECRETARIES

Link Market Services South Africa (Pty) Ltd
Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, South Africa
Postal address: PO Box 4844, Johannesburg, 2000, South Africa
Telephone: +27 11 713 0800
Telefax: +27 86 674 4381
Website: www.linkmarketservices.co.za

AUDITORS

BDO South Africa Inc.

SPONSOR

Vunani Capital (Pty) Ltd

LISTING

Johannesburg Stock Exchange
Sector: Diversified Industrials
Share code: AEE
ISIN code: ZAE000195731

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