

Notice of Annual General Meeting

FOR THE YEAR ENDED 31 MARCH 2019

ETION LIMITED

(Previously known as Ansys Limited)
(Incorporated in the Republic of South Africa)
Registration number: 1987/115237/06
JSE share code: ETO
ISIN: ZAE000257739
("ETION" or "the Company")

Notice is hereby given of the Annual General Meeting of shareholders of Etion Limited to be held at 85 Regency Drive, Route 21 Corporate Park, Irene, Pretoria on 26 September 2019 at 10:00 ("the Annual General Meeting").

Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

Agenda

- Presentation of the audited consolidated annual financial statements and separate annual financial statements of the Company, including the reports of the directors and the Audit and Risk Committee for the year ended 31 March 2019. The Integrated Annual Report, of which this notice forms part, contains the summarised Group financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, are available on Etion Limited's website at www.etion.co.za, or may be requested and obtained in person, at no charge, at the registered office of Etion Limited during office hours.
- To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions below:

Report on the Social and Ethics Committee

The Company's Social and Ethics Committee report, included on page 85 of the Integrated Annual Report will serve as the Social and Ethics Committee's report to the Company's shareholders on the matters within its mandate at the Annual General Meeting. Any specific questions to the said committee may be sent to the Company Secretary prior to the Annual General Meeting.

Note:

For any of the ordinary resolutions numbers 1 to 11 (inclusive) to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 12 to be adopted, at least 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

1. Retirement, re-election and confirmation of appointment of directors

1.1 Ordinary resolution number 1

"**RESOLVED** that Snowy Joyce Khoza, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as director."

1.2 Ordinary resolution number 2

"**RESOLVED** that Coenraad Petrus Bester, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

The reason for ordinary resolution numbers 1 to 2 (inclusive) is that the Memorandum of Incorporation of the Company, the Listings Requirements of the JSE Limited (JSE) and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended (the Companies Act), require that a component of the non-executive directors rotate at every Annual General Meeting of the Company and, being eligible, may offer themselves for re-election as directors.

1.3 Ordinary resolution number 3

"**RESOLVED** that Richard Charles Willis appointment as non-executive director, in terms of the Memorandum of Incorporation of the Company, be and is hereby confirmed."

1.4 Ordinary resolution number 4

"**RESOLVED** that Martie Jacoba Janse van Rensburg's appointment as non-executive director, in terms of the Memorandum of Incorporation of the Company, be and is hereby confirmed."

The reason for ordinary resolution numbers 3 and 4 is that the Memorandum of Incorporation of the Company requires that any director appointed by the Board of the Company be confirmed by the shareholders at the next AGM. Brief curricula vitae of the directors' appointments to the Board being confirmed appear on pages 78 and 79 of the Integrated Report.

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

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 5

“RESOLVED that Martie Jacoba Janse van Rensburg, being eligible, be and is hereby appointed as a member and Chairperson of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company.”

2.2 Ordinary resolution number 6

“RESOLVED that Snowy Joyce Khoza, being eligible and subject to the passing of ordinary resolution number 1, be and is hereby reappointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company.”

2.3 Ordinary resolution number 7

“RESOLVED that Coenraad Petrus Bester, being eligible and subject to the passing of ordinary resolution number 2, be and is hereby reappointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company.”

2.4 Ordinary resolution number 8

“RESOLVED that Richard Charles Willis, being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company.”

The reason for ordinary resolution numbers 5 to 8 (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 reappointed, as the case may be, at each annual general meeting of a company. A brief curriculum vitae of each of the directors up for election to the Audit and Risk Committee appears on pages 78 and 79 of the Integrated Report.

3. Reappointment of auditor

Ordinary resolution number 9

“RESOLVED that PricewaterhouseCoopers Inc. be and is hereby reappointed as auditor of the Company for the ensuing year on the recommendation of the Audit and Risk Committee of the Company and Peta-Lynn Pope as the designated audit partner for the financial year ending 31 March 2020”.

The reason for ordinary resolution number 8 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the Annual General Meeting of the Company as required by the Companies Act.

4. Non-binding endorsement of Etion Limited’s remuneration policy and implementation report

Ordinary resolution number 10

“RESOLVED that the shareholders endorse, by way of a non-binding advisory vote, the Company’s remuneration policy as set out from page 88 of the Integrated Report.”

The reason for ordinary resolution number 10 is that King IV and the Listings Requirements recommend that the remuneration policy of the Company be endorsed through a non-binding advisory vote by shareholders each year.

Ordinary resolution number 11

“RESOLVED that the Company’s implementation report in regard to its remuneration policy, as contained in this Integrated Report, be and is hereby endorsed by way of a non-binding advisory vote.”

The reason for ordinary resolution number 11 is that King IV and the Listings Requirements recommend that every year the Company’s remuneration be disclosed in three parts, namely:

- a background statement;
- an overview of the remuneration policy; and
- an implementation report, and that shareholders be requested to pass separate non-binding advisory votes on the policy and the implementation report at the AGM.

Voting on the above two resolutions enables shareholders to express their views on the remuneration policy adopted and on its implementation.

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The Human Capital and Remuneration Committee prepared, and the Board considered and accepted, the remuneration policy and implementation report thereon, as set out in this Integrated Report.

The remuneration policy also records the measures the Board will adopt, in the event that, either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised by shareholders. In such event, the Company will, in its announcement of the results of the resolutions of the AGM, provide dissenting shareholders with information as to how to engage with the Company in relation to this matter and the timing of such engagement.

5. General authority to issue shares for cash

Ordinary resolution number 12

“RESOLVED that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company’s unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company’s Memorandum of Incorporation, the Companies Act and the Listings Requirements of the JSE (Listings Requirements), provided that:

- (a) the equity securities which are the subject of this general authority, 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;
- (b) the equity securities must be issued to public shareholders, as defined in the Listings Requirements, and not to related parties;
- (c) the equity securities, which are the subject of this general authority:
 - (1) may not, in aggregate, exceed 50% of the Company’s listed equity securities as at the date of the Annual General Meeting, being the equivalent of 247 205 517 equity securities;
 - (2) any equity securities issued in terms of this general authority must be deducted from the initial number of equity securities available under this general authority; and
 - (3) in the event of a subdivision or consolidation of issued equity securities during the period of this general authority, the general authority must be adjusted accordingly to represent the same allocation ratio;
- (d) the general authority shall be valid until Etion’s next Annual General Meeting, or for 15 months from the date on which the general authority for such ordinary resolution was passed, whichever period is shorter subject to the Listings Requirements and any other restrictions set out in this authority the maximum discount at which equity securities may be issued is 10% of the weighted average traded price of such equity securities measured over 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the equity securities. The JSE should be consulted for a ruling if the applicant’s securities have not traded in such 30-business-day period;
- (e) an announcement giving full details, including the impact on net asset value, net tangible asset value, earnings and headline earnings per share will be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of securities in issue prior to the general issue for cash; and
- (f) this authority includes any options/convertible securities that are convertible into an existing class of equity securities.

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or to share incentive schemes, which schemes have been duly approved by the JSE and by the shareholders of the Company), it is necessary for the Board of the Company to obtain prior authority of the shareholders in accordance with the Listings Requirements and the MOI of the Company. Accordingly, the reason for ordinary resolution number 12 is to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements.

In terms of the Listings Requirements the approval of 75% majority of the votes cast by shareholders present or represented by proxy at this Annual General Meeting will be required for this authority to become effective.

6. Remuneration of non-executive directors

Special resolution number 1

“RESOLVED AS A SPECIAL RESOLUTION THAT the remuneration of non-executive directors, as approved at the Annual General Meeting held on 27 September 2018 for a period of two years, remain unchanged but that the approval extends to the date of the next Annual General Meeting of the Company.”

Reason and effect:

Special resolution number 1 is proposed to comply with the provisions of sections 66(8) and (9) of the Companies Act which provide that the Company may pay remuneration to its directors for their service as directors, subject to approval by special resolution. If special resolution number 1 is passed, the Company will be authorised to pay its directors the remuneration specified in the Integrated Report.

In terms of section 62(3) of the Act, the percentage of voting rights that will be required for this special resolution to be approved is at least 75% of the voting rights present and exercised on the special resolution. At this general meeting sufficient persons must be present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised.

7. Remuneration for ad hoc Board committees

Special resolution number 2

"RESOLVED AS A SPECIAL RESOLUTION THAT the remuneration payable to non-executive directors for ad hoc Board Committee meetings, as approved at the Annual General Meeting held on 27 September 2018 for a period of two years, remain unchanged but that the approval extends to the date of the next Annual General Meeting of the Company or until such time before the end of that another special resolution is adopted, whichever one comes first."

Reason and effect:

Special resolution number 2 is proposed to comply with the provisions of sections 66(8) and (9) of the Act which provides that the Company may pay remuneration to its directors for their service as directors, subject to approval by special resolution. If special resolution number 2 is passed, the Company will be authorised to pay its directors the remuneration specified in the Integrated Report.

In terms of section 62(3) of the Act, the percentage of voting rights that will be required for this special resolution to be approved is at least 75% of the voting rights present and exercised on the special resolution. At this general meeting sufficient persons must be present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised.

8. Intercompany financial assistance

Special resolution number 3

"RESOLVED AS A SPECIAL RESOLUTION THAT, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that 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 of the Company may deem fit to any company or corporation that is 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 of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority, until the next Annual General Meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

9. General approval to provide financial assistance for subscription or purchase of ordinary shares in related or interrelated entities in terms of section 44 of the Companies Act

Special resolution number 4

"RESOLVED AS A SPECIAL RESOLUTION THAT, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that 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 sections 44(1) and 44(2) of the Companies Act) that the Board of the Company 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 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 any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company 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 or corporation, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for and effect of special resolution number 4 is to grant the directors the authority, until the next Annual General Meeting of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any 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 a guarantee or otherwise, for the obligations of its subsidiaries 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 interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

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In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company 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 3 and 4 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.

10. General authority to repurchase shares

Special resolution number 5

"RESOLVED AS A SPECIAL RESOLUTION THAT, the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by 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 sections 46 and 48 of the Companies Act, the Memorandum of Incorporation of the Company and the Listings Requirements, including, inter alia, that:

- reported trades are prohibited, the general repurchase of the shares may only be implemented 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 next Annual General Meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution, whichever period is shorter;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the Board of Directors approving the purchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Company and its subsidiaries ("the Group");
- the general repurchase is authorised by the Company's Memorandum of Incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the 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 5 is to grant the directors a general authority in terms of its Memorandum of Incorporation and the Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 5. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a Company. For the avoidance of doubt, a pro rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

11. Other business

To transact such other business as may be transacted at an Annual General Meeting or raised by shareholders with or without advance notice to the Company.

Information relating to the special resolutions

- 11.1** 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 Company and its subsidiaries (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 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 Company for a period of 12 months after the AGM and after the date of the share repurchase.
 - 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.

General information in respect of major shareholders, material changes and the share capital of the Company is contained in the Integrated Report of which this notice forms part, as well as the full set of financial statements, being available on Etion's website at www.etion.co.za or which may be requested and obtained in person, at no charge, at the registered office of Etion during office hours.

- 11.2** The directors, whose names appear on page of 76 and 77 of the Integrated Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of Annual General Meeting contains all the information required by the Listings Requirements.

- 11.3** Special resolution numbers 3 and 5 are renewals of resolutions taken at the previous Annual General Meeting held on 27 September 2018.

12. Voting

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 26 August 2019.

The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this Annual General Meeting is 20 September 2019, with the last day to trade being 17 September 2019.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairman of the Annual General Meeting and must accordingly bring a copy of their identity document, passport or driver's licence to the Annual General Meeting. 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 entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the Annual General Meeting. Completion of a form of proxy will not preclude such shareholders from attending and voting (in preference to that shareholder's proxy) at the Annual General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the Company at the address given below by not later than 10:00 on 23 September 2019, provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the Chairman of the Annual General Meeting at any time prior to the commencement of the Annual General Meeting.

Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the Annual General Meeting in person, will need to request their Central Securities Depository Participant (CSDP) or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

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Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the Annual General Meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

Shareholders present in person by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

Electronic participation by shareholders

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the Annual General Meeting electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the transfer secretaries, at the address below, to be received by the transfer secretaries at least seven business days prior to the Annual General Meeting (thus to be confirmed) for the transfer secretaries to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or representative or proxy) with details on how to access the Annual General Meeting by means of electronic participation. The Company reserves the right not to provide for electronic participation at the Annual General Meeting if it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to participate in this manner.

By order of the Board

Fusion Corporate Secretarial Services (Pty) Ltd

Registration number 2007/008376/07

Company Secretary

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0157

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Transfer secretaries

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