

Notice of annual general meeting

AECI Limited

Incorporated in the Republic of South Africa

(Registration No 1924/002590/06)

Share code: AFE ISIN code: ZAE000000220

("AECI" or "the Company" or the "Group")

Notice is hereby given that the 85th annual general meeting of shareholders of AECI Limited will be held on the ground floor, AECI Place, 24 The Woodlands, Woodlands Drive, Woodmead, Sandton on Monday, 25 May 2009 at 09:00 for the following purposes:

1. Adoption of annual financial statements

Ordinary resolution number 1:

To receive and adopt the annual financial statements for the year ended 31 December 2008.

2. Re-appointment of independent auditors

Ordinary resolution number 2:

To authorise the directors to re-appoint KPMG Inc. as the independent auditors of the Company and to appoint Mr N van Niekerk, being a member of KPMG Inc., as the individual designated auditor to hold office for the ensuing year.

3. Re-election of directors

Ordinary resolution number 3:

Resolved that the following directors, who are required to retire by rotation in terms of the provisions of the articles of association of the Company but, being eligible, offer themselves for re-election (condensed biographies of these directors appear on page [insert] of this annual report), be re-elected:

3.1 Mr RMW Dunne

3.2 Mr LM Nyhonyha

3.3 Mr AC Parker

4. Appointment of directors

Ordinary resolution number 4:

Resolved that the following director, who was appointed during the financial year, be appointed in terms of the provisions of the articles of association of the Company (the "articles") (a condensed biography of this director appears on page 19 of this annual report):

4.1 KM Kathan

Notice of annual general meeting (continued)

To consider and, if approved, to pass with or without modification, the following resolutions:

5 Directors' fees

Ordinary resolutions numbers 5.1 to 5.6:

Resolved that the fees of non-executive directors of the Company be increased by a weighted average inflation adjusted rate of 11,4 per cent, with effect from 1 January 2009, as follows:

- 5.1 the chairman of the Board from R600 000 to R670 000;
- 5.2 audit and risk committee chairman's fee from R130 000 to R148 000;
- 5.3 audit and risk committee member's fee from R65 000 to R70 000;
- 5.4 non-executive directors from R150 000 to R165 000;
- 5.5 chairman of other Board committees from R80 000 (in addition) to R90 000 (in addition); and
- 5.6 members of other Board committees from R40 000 (in addition) to R45 000 (in addition).

6 General authority to repurchase shares

Special resolution number 1:

Resolved that as a renewable general authority contemplated in Sections 85 to 89 of the Companies Act (Act 61 of 1973) as amended (the "Act"), the directors of the Company be and are hereby authorised at their discretion to procure that the Company, or any subsidiaries of the Company, acquire the Company's shares, subject to the articles, the provisions of the Act and subject to the JSE Limited (the "JSE") Listings Requirements by the purchase on the JSE of ordinary shares issued by the Company provided that:

- the number of ordinary shares acquired in the aggregate in any one financial year shall not exceed 5 (five) per cent of the Company's issued ordinary share capital from the date of the grant of this authority;
- this general authority shall lapse on the earlier of the date of the next annual general meeting of the Company or the date 15 months from the date of passing of this special resolution;
- general repurchases may not be made at a price greater than 10 (ten) per cent above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction is effected;
- the general repurchase of securities 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 counter party;
- at any point in time, a company may only appoint one agent to effect any repurchases on the Company's behalf;
- the Company or its subsidiary may not repurchase securities during a prohibited period as defined in 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 full details of the programme have been disclosed in an announcement on the Securities Exchange News Service (SENS) prior to the commencement of the prohibited period; and
- when the Company has cumulatively repurchased 3 (three) per cent of the initial number of the relevant class of securities, and for each 3 (three) per cent in aggregate of the initial number of that class acquired thereafter, an announcement will be made;
- after such repurchase the Company will still comply with the JSE Listings requirements concerning shareholder spread requirements; and
- the number of shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10 (ten) per cent in the aggregate of the of the number of issued shares in the Company at the relevant times.

The reason and effect for this special resolution is to authorise the directors, if they deem it appropriate in the interests of the Company, to procure that the Company or subsidiaries of the Company acquire or purchase ordinary shares issued by the Company subject to the restrictions contained in the above resolution.

At the present time the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate. If the authority is exercised, the ordinary shares will be purchased on the JSE.

The directors, after considering the effect of a repurchase of up to 5 (five) per cent of the Company's issued ordinary shares, are of the opinion that if such repurchase is implemented:

- i. the Company and its subsidiaries will be in a position to pay their debt in the ordinary course of business for a period of 12 (twelve) months after the date of the general repurchase;
- ii. recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements, the assets of the Company and its subsidiaries will exceed the liabilities of the Company and its subsidiaries for a period of 12 (twelve) months after the date of the general repurchase;
- iii. the share capital and reserves of the Company and its subsidiaries will be adequate for ordinary business purposes for the period of 12 (twelve) months after the date of the general repurchase; and
- iv. the available working capital of the Company and its subsidiaries will be adequate for ordinary business purposes for the period of 12 (twelve) months after the date of the general repurchase.

The Company will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of any purchase of the Company's shares on the open market.

In terms of the JSE Listings Requirements for this special resolution, the following general information is included in the annual report which is distributed together with this notice of annual general meeting:

- i. directors and management (refer to pages 16 to 20);
- ii. major shareholders of the Company (refer to pages 12 to 15);
- iii. directors' interest in securities (refer to page 98); and
- iv. share capital of the Company (refer to page 97).

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since 31 December 2008.

Litigation statement

The Company and its subsidiaries are not party to any material litigation or arbitration proceedings nor is it aware of any pending material litigation or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the recent past, being at least the previous 12 (twelve) months, a material effect on the Group's financial position.

Directors' responsibility statement

The directors whose names appear on pages 16 to 19 of the annual report, 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 resolution contains all information required by law and the JSE Listings Requirements.

Notice of annual general meeting (continued)

Voting and proxies

On a show of hands, every shareholder present in person or represented in terms of section 188 of the Act shall have one vote and on a poll every shareholder present in person or by proxy or so represented shall have one vote for every share held by such shareholder.

A shareholder entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in place of that shareholder. A proxy need not be a shareholder of the Company.

Registered holders of certificated AECl shares and holders of dematerialised AECl shares in their own name and who are unable to attend the annual general meeting and who wish to be represented at the meeting, must complete and return the attached form of proxy in accordance with the instructions contained in the form of proxy so as to be received by the share registrars, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown, 2107) or Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, England, by no later than 09:00 on Thursday, 21 May 2009.

Holders of AECl shares (whether certificated or dematerialised) through a nominee should make timeously the necessary arrangements with that nominee or, if applicable, their Central Securities Depository Participant (CSDP) or broker to enable them to attend and vote at the annual general meeting or to enable their votes in respect of their AECl shares to be cast at the annual general meeting by that nominee or a proxy or a representative.

Equity securities held by a share trust or scheme will not have their votes at general/annual general meetings taken into account for the purposes of resolutions proposed in terms of the JSE Listing Requirements.

Shares held as treasury shares may also not vote.

By order of the Board



Alma Kennedy
Company secretary
Woodmead, Sandton

31 March 2009