

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 4 of this circular apply, *mutatis mutandis*, throughout this circular.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, attorney, accountant, banker or other professional adviser immediately.

If you have disposed of all of your shares in MICROmega, then this circular, together with the attached notice of general meeting and form of proxy should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Shareholders should note that, whilst the entire circular is important and should be read in its entirety, particular attention should be paid to the section entitled "Action required by shareholders" commencing on page 2 of this circular.

MICROmega does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be concluded thereat.

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# MICROmega

HOLDINGS LIMITED  
**MICROmega Holdings Limited**

Incorporated in the Republic of South Africa  
(Registration number 1998/003821/06)  
Share code: MMG ISIN: ZAE000034435  
("MICROmega" or "the Company")

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## CIRCULAR TO MICROmega SHAREHOLDERS

regarding

- the specific repurchases by MICROmega of 4 119 717 shares between 11 April 2013 and 19 August 2013 incorrectly effected under the general authority granted by shareholders on 31 July 2013;

and enclosing

- a notice convening the general meeting; and
  - a form of proxy for use by certificated MICROmega shareholders and "own name" registered dematerialised shareholders only.
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Sponsor to MICROmega

Merchantec  
capital

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Date of issue: 18 December 2015

Additional copies of this circular, in its printed format, may be obtained from the Sponsor at the address set out in the "Corporate information" section on this circular during normal business hours from Friday, 18 December 2015 up to and including Tuesday, 19 January 2016. Copies of this circular are available in the English language only and are available on the Company's website, [www.micromega.co.za](http://www.micromega.co.za).

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## **CORPORATE INFORMATION**

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### **MICROmega Holdings Limited**

**Date of incorporation:** 2 March 1998

**Place of incorporation:** South Africa

### **Company Secretary and registered address of MICROmega**

Ruan Viljoen  
MMG House  
66 Park Lane  
Sandton, 2196  
(Private Bag X9966, Sandton, 2146)

### **Sponsor**

Merchantec Capital  
(Registration number 2008/027362/07)  
2nd Floor, North Block  
Hyde Park Office Tower  
Corner 6th Road and Jan Smuts Avenue  
Hyde Park, Johannesburg, 2196  
(PO Box 41480, Craighall, 2024)

### **Transfer secretaries**

Singular Systems Proprietary Limited  
(Registration number 2002/001492/07)  
28 Fort Street  
Birnam  
Johannesburg, 2196  
(PO Box 785261, Sandton, 2146)

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## **ACTION REQUIRED BY SHAREHOLDERS**

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**If you are in any doubt as to the action you should take, please consult your broker, CSDP, attorney, accountant, banker or other professional adviser immediately.**

If you have disposed of all of your shares in MICROmega, then this circular, together with the attached notice of general meeting and form of proxy should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

The general meeting convened in terms of this circular will be held at 10:00 on Tuesday, 19 January 2016 at the registered office of MICROmega, MMG House, 66 Park Lane, Sandton, 2196.

**Certificated shareholders and dematerialised shareholders with “own name” registration, who** are unable to attend the general meeting and wish to be represented thereat, must complete and return the attached form of proxy in accordance with the instructions contained therein.

**Dematerialised shareholders, other than dematerialised shareholders with “own name” registration, who:**

- are unable to attend the general meeting and 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 concerned, in the manner and within the time stipulated therein;
- wish to attend the general meeting, must instruct their CSDP or broker to issue them with the necessary Letter of Representation to attend, in the form of a Letter of Representation.

**MICROmega does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be concluded thereat.**

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## IMPORTANT DATES AND TIMES

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### 2015

Record date to determine which MICR <i>O</i> mega shareholders are entitled to receive the circular	Friday, 11 December
Circular posted to MICR <i>O</i> mega shareholders and notice convening the general meeting released on SENS on	Friday, 18 December
Last day to trade MICR <i>O</i> mega shares in order to be recorded in the Register to vote at the general meeting (see note 2 below)	Thursday, 31 December

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### 2016

Record date to be eligible to vote at the general meeting	Friday, 8 January
Last day to lodge forms of proxy for the general meeting by 10:00 on	Friday, 15 January
General meeting to be held at 10:00 on	Tuesday, 19 January
Results of general meeting released on SENS on	Tuesday, 19 January

#### Notes:

1. The above dates and times are subject to amendment. Any such amendment will be released on SENS.
2. MICR*O*mega shareholders should note that, as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore, MICR*O*mega shareholders who acquire MICR*O*mega shares after close of trade on Thursday, 31 December 2015 will not be eligible to vote at the general meeting.
3. All times given in this circular are local times in South Africa.
4. Additional copies of this circular in its printed format, may be obtained from the Sponsor at the address set out in the "Corporate information" section of this circular during normal business hours from Friday, 18 December 2015 up to and including Tuesday, 19 January 2016.

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## DEFINITIONS AND INTERPRETATIONS

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In this circular, the annexure hereto, the notice of general meeting and form of proxy, unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

<b>“Board” or “directors”</b>	the board of directors of MICRO <i>Omega</i> at the last practicable date;
<b>“business day”</b>	any day other than a Saturday, Sunday or a public holiday in South Africa;
<b>“certificated shareholder”</b>	a holder of certificated shares;
<b>“certificated shares”</b>	shares which are not dematerialised, title to which is represented by physical documents of title;
<b>“circular”</b>	this bound document, dated 18 December 2015, including the annexure hereto and incorporating a notice of general meeting and a form of proxy;
<b>“Companies Act”</b>	the Companies Act, 2008 (Act 71 of 2008), as amended;
<b>“Company Secretary”</b>	Mr Ruan Viljoen;
<b>“Counter Parties”</b>	Mr Warren Friedland and Mr Bruce Carolin, neither of whom are considered to be related parties to MICRO <i>Omega</i> in terms of paragraph 10.1 of the Listings Requirements;
<b>“CSDP”</b>	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, appointed by an individual shareholder for the purposes of, and in regard to the dematerialisation of documents of title for purposes of incorporation into Strate;
<b>“custody agreement”</b>	the custody mandate agreement between a dematerialised shareholder and a CSDP or broker governing their relationship in respect of dematerialised shares held by the CSDP or broker;
<b>“dematerialisation”</b>	the process whereby share certificates, certificated transfer deeds, balance receipts and any other documents of title to shares in a tangible form are dematerialised into electronic records for purposes of incorporation into Strate;
<b>“dematerialised shareholder”</b>	a holder of dematerialised shares;
<b>“dematerialised shares”</b>	shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
<b>“documents of title”</b>	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title in respect of shares;
<b>“Financial Markets Act”</b>	the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
<b>“general meeting”</b>	the general meeting of MICRO <i>Omega</i> shareholders to be held at 10:00 on Tuesday, 19 January 2016 at the registered office of MICRO <i>Omega</i> , MMG House, 66 Park Lane, Sandton, 2196, which meeting is convened in terms of the notice of general meeting attached to this circular;
<b>“group”</b>	MICRO <i>Omega</i> and its direct and indirect subsidiaries;
<b>“JSE”</b>	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;

<b>“last practicable date”</b>	Friday, 11 December 2015, being the last practicable date prior to the finalisation of this circular;
<b>“Listings Requirements”</b>	the Listings Requirements of the JSE, as amended from time to time by the JSE;
<b>“MICROmega” or “the Company”</b>	MICROmega Holdings Limited (Registration number 1998/003821/06), a public company duly registered and incorporated in accordance with the laws of South Africa and listed on the JSE;
<b>“MICROmega shareholders” or “shareholders”</b>	holders of MICROmega shares;
<b>“MICROmega shares” or “shares”</b>	ordinary shares currently with a par value of one cent each in the issued share capital of MICROmega;
<b>“Rand” or “R”</b>	South African Rand;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Solvency and Liquidity Test”</b>	the solvency and liquidity test set out in section 4(1) of the Companies Act;
<b>“Special Resolution”</b>	the special resolution to approve the Specific Repurchases as set out in the notice convening the general meeting, which notice is attached to this circular;
<b>“Specific Repurchases”</b>	the specific repurchases of a total of 4 119 717 shares from the Counter Parties between 11 April 2013 and 19 August 2013 for a total consideration of R9 934 129.27, as more fully set out in paragraph 2.1 below;
<b>“Sponsor” or “Merchantec Capital”</b>	Merchantec Proprietary Limited (Registration number 2008/027362/07), a private company duly registered and incorporated under the laws of South Africa;
<b>“Strate”</b>	the electronic settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa;
<b>“sub-register”</b>	the record of dematerialised shares administered and maintained by a CSDP and which forms part of the Company’s register of members as defined in the Companies Act, excluding nominees;
<b>“subsidiary”</b>	a subsidiary as defined in the Companies Act;
<b>“transfer secretaries”</b>	Singular Systems Proprietary Limited (Registration number 2002/001492/07), a private company incorporated under the laws of South Africa; and
<b>“VWAP”</b>	volume weighted average price.

# MICROmega

## HOLDINGS LIMITED MICROmega Holdings Limited

Incorporated in the Republic of South Africa  
(Registration number 1998/003821/06)  
Share code: MMG ISIN: ZAE000034435  
("MICROmega" or "the Company")

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### Directors

#### Executive

D.C. King (*Executive Chairman*)  
I.G. Morris (*Chief Executive Officer*)  
R.B. Dick (*Financial Director*)  
D.S.E. Carlisle (*Executive Director*)

#### Non-executive

T.W. Hamill  
R.C. Lewin  
P.H. Duvenhage  
G.E. Jacobs\*  
D.A. Di Siena#

# *Interim Lead Independent*

\* *Independent*

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## CIRCULAR TO MICROmega SHAREHOLDERS

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### 1. INTRODUCTION

On 19 June 2015, it was announced on SENS that between 11 April 2013 and 19 August 2013, MICROmega erroneously implemented the Specific Repurchases from the Counter Parties. Despite such Specific Repurchases having been effected through the order book operated by the JSE trading system, a prior understanding or arrangement between MICROmega and the Counter Parties existed and accordingly, shareholder approval by way of a special resolution, excluding participants and associates, should have been obtained in terms of paragraph 5.69 of the Listings Requirements.

The Specific Repurchases were effected contrary to the peremptory provision of the Listings Requirements and the matter is currently being investigated by the JSE. Accordingly, the purpose of this circular is to provide MICROmega shareholders with relevant information regarding the Specific Repurchases, to ensure that MICROmega complies, in all aspects, with the peremptory provisions of the Listings Requirements applicable to specific repurchases by a listed company of its own securities and to give notice of a general meeting of MICROmega shareholders in order to consider and, if deemed fit, to pass, with or without modification, the resolutions necessary to approve the Specific Repurchases in compliance with the Listings Requirements. A notice convening such meeting is attached to, and forms part of, this circular.

### 2. THE SPECIFIC REPURCHASES

#### 2.1 Background to and rationale for the Specific Repurchases

The Specific Repurchases comprise:

- 1 995 134 shares repurchased on 11 April 2013 from Mr W Friedland at 250.00 cents per share for a total consideration of R4 987 835, representing a 2.4% discount to the 30 day VWAP of MICROmega shares traded on the JSE;



- 1 806 281 shares repurchased on 18 July 2013 from Mr W Friedland at 220.00 cents per share for a total consideration of R3 973 818, representing a 2.2% discount to the 30 day VWAP of MICRO*Omega* shares traded on the JSE; and
- 318 302 shares repurchased on 19 August 2013 from Mr B Carolin at an average price of 305.52 cents per share for a total consideration of R972 476.27, representing a 38.3% premium to the 30 day VWAP of MICRO*Omega* shares traded on the JSE.

At the time of the Specific Repurchases, the purchase price per share was below the net asset value per share of MICRO*Omega*. Consequently, such repurchases represented value to the Board.

## 2.2 Financial effects of the Specific Repurchases

The table below sets out the financial effects of the Specific Repurchases on MICRO*Omega*'s earnings per share, headline earnings per share, net asset value per share and net tangible asset value per share.

	Before	After	% change
Basic earnings per share (cents)	127.33	130.33	2.36
Headline earnings per share (cents)	61.55	62.79	2.01
Net asset value per share (cents)	424.91	431.62	1.58
Net tangible asset value per share (cents)	145.18	140.93	(2.93)

### Notes:

1. The 'Before' column shows the financial information for the 15-month period ended 31 March 2014 assuming that the Specific Repurchases were not effected during such period.
2. The 'After' column shows the effects of the Specific Repurchases on the financial information for the 15-month period ended 31 March 2014 assuming shareholder approval was correctly sought in the 15-month period ended 31 March 2014 and transaction costs of approximately R160 000.00 were incurred.
3. The effects on the basic earnings per share and the headline earnings per share are due to a change in the weighted average number of shares of 2 734 296 shares and interest foregone calculated on the utilised cash resources at a pre-tax rate of 5% and are calculated based on the assumption that the Specific Repurchases were effected on 1 January 2013.
4. The effects on net asset value per share and net tangible asset value per share are due to a change in the issued number of shares of 4 119 717 shares, utilised cash resources and interest foregone calculated on the utilised cash resources at a pre-tax rate of 5% and are calculated based on the assumption that the Specific Repurchases were effected on 31 March 2014.

The table below sets out the actual financial information for the 15-month period ended 31 March 2014, whereby the Specific Repurchases were effected without shareholder approval being sought or transaction costs of R160 000 being incurred.

	15-month period ended 31 March 2014
Basic earnings per share (cents)	130.44
Headline earnings per share (cents)	62.91
Net asset value per share (cents)	431.74
Net tangible asset value per share (cents)	141.05

## 2.3 Authorisation of the Specific Repurchases in terms of the Company's Memorandum of Incorporation

MICRO*Omega* was, in terms of article 19 of the Company's Memorandum of Incorporation, authorised to effect the Specific Repurchases. The Company is contractually obliged to comply with the Listings Requirements. Shareholders are referred to Annexure 1 to this circular which sets out an extract from the Company's Memorandum of Incorporation.

## 2.4 Source of funds

The Specific Repurchases were funded from existing cash reserves.

### 3. SHARE CAPITAL

The table below shows the issued share capital of MICRO*Omega*, net of treasury shares, before and after the Specific Repurchases, based on the issued share capital as at 31 December 2012:

<b>Before the Specific Repurchases</b>	<b>Number of shares</b>	<b>R'000</b>
<b>Authorised</b>		
Ordinary shares of 1 cent each	200 000 000	2 000
<b>Issued</b>		
Ordinary shares of 1 cent each	100 802 677	1 008
Share premium	–	178 241
<b>Total</b>	<b>100 802 677</b>	<b>179 249</b>

Prior to the Specific Repurchases, MICRO*Omega* held 7 946 385 shares in treasury.

<b>After the Specific Repurchases</b>	<b>Number of shares</b>	<b>R'000</b>
<b>Authorised</b>		
Ordinary shares of 1 cent each	200 000 000	2 000
<b>Issued</b>		
Ordinary shares of 1 cent each	100 802 677	1 008
Share premium	–	178 241
<b>Total</b>	<b>100 802 677</b>	<b>179 249</b>

After the Specific Repurchases, MICRO*Omega* held 12 163 534 shares in treasury.

### 4. MAJOR SHAREHOLDERS

At the last practicable date insofar as is known to MICRO*Omega*, no shareholders (excluding directors whose interests are detailed in paragraph 5.1 below) were, directly or indirectly, beneficially interested in 5% or more of the issued share capital of MICRO*Omega*, net of treasury shares.

## 5. DIRECTORS

### 5.1 Directors' Interests

At the last practicable date, the directors held, directly or indirectly, beneficial interests in 88 517 666 shares in MICRO*Omega*, representing approximately 78.66% of the total issued share capital of MICRO*Omega* net of treasury shares, being 112 563 873 MICRO*Omega* shares. The direct and indirect beneficial interests of members of the Board are as follows:

Director	Beneficial Direct	Indirect	Total shares	Total %
<b>Executive</b>				
D.C. King ( <i>Executive Chairman</i> )	–	72 236 070	72 236 070	64.17
I.G. Morris ( <i>Chief Executive Officer</i> )	–	12 000 800	12 000 800	10.66
R.B. Dick ( <i>Financial Director</i> )	263 254	–	154 921	0.23
D.S.E. Carlisle ( <i>Executive Director</i> )	–	3 375 200	3 375 200	3.00
<b>Non-executive</b>				
T.W. Hamill	1 000	–	1 000	0.00
R.C Lewin	–	641 342	641 342	0.57
P.H. Duvenhage	–	–	–	0.00
G.E. Jacobs	–	–	–	0.00
D.A. Di Siena	–	–	–	0.00
	<b>264 254</b>	<b>88 253 412</b>	<b>88 517 666</b>	<b>78.66</b>

### 5.2 Former directors' interests

At the last practicable date, directors who had resigned during the past 18 months held, directly or indirectly, beneficial interests in 28 500 shares in MICRO*Omega*, representing approximately 0.03% of the total issued share capital of MICRO*Omega* net of treasury shares, being 112 563 873 MICRO*Omega* shares, as follows:

Director	Beneficial Direct	Indirect	Total shares	Total %
A.B. Swan	28 500	–	28 500	0.03
	<b>28 500</b>	<b>–</b>	<b>28 500</b>	<b>0.03</b>

**Note:**

A.B Swan resigned on 9 September 2015.

## 6. IRREVOCABLE LETTERS OF UNDERTAKING

For purposes of the general meeting, the Company has received irrevocable letters of undertaking from shareholders holding or representing a total of 87 502 920 shares, equivalent to 77.74% of the MICRO*Omega* shares eligible for voting at the general meeting, being 112 563 873 MICRO*Omega* shares.

The table below sets out the undertakings received:

Shareholder	Number of shares	Percentage shareholding (%)
Friedshelf 1382 Proprietary Limited	72 126 920	64.08
Kamberg Investment Holdings Proprietary Limited	12 000 800	10.66
Seratrix Proprietary Limited	3 375 200	3.00
	<b>87 502 920</b>	<b>77.74</b>

**Notes:**

1. Friedshelf 1382 Proprietary Limited is under the control of Mr D.C. King.
2. Kamberg Investment Holdings Proprietary Limited is under the control of Mr I.G. Morris.
3. Seratrix Proprietary Limited is under the control of Mr D.S.E. Carlisle.

## 7. SOLVENCY AND LIQUIDITY

### 7.1 The directors of MICROmega considered the impact of the Specific Repurchases at the time when the Specific Repurchases were implemented and are of the opinion that the provisions of section 4 and section 48 of the Companies Act were complied with and that:

- MICROmega and the MICROmega group were able in the ordinary course of business to pay their debts for a period of 12 months after the date of the Specific Repurchases;
- the assets of MICROmega and the MICROmega group were in excess of the liabilities of MICROmega and the MICROmega group for a period of 12 months after the date of the Specific Repurchases. For this purpose, the assets and liabilities were measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- the share capital and reserves of MICROmega and the MICROmega group were adequate for ordinary business purposes for a period of 12 months after the date of the Specific Repurchases; and
- the working capital of MICROmega and the MICROmega group was adequate for ordinary business purposes for a period of 12 months after the date of the Specific Repurchases.

### 7.2 Furthermore, the directors of MICROmega and its subsidiaries state as follows:

- in terms of section 46(1)(a)(ii) of the Companies Act, the Board has, by resolution, approved the Specific Repurchases;
- in terms of section 46(1)(b) of the Companies Act, MICROmega satisfied the Solvency and Liquidity Test immediately after completing the Specific Repurchases;
- in terms of section 46(1)(c) of the Companies Act, the Board has, by resolution, acknowledged that it had applied the Solvency and Liquidity Test at the time of the Specific Repurchases, and had reasonably concluded that MICROmega would satisfy the Solvency and Liquidity Test immediately after completing the Specific Repurchases; and

## 8. MATERIAL CHANGES

The Board reports that, since the reported financial information of MICROmega for the year ended 31 December 2012, there have been no material changes in the financial or trading position of the MICROmega group.

## 9. LITIGATION STATEMENT

The Board reports that there are no legal or arbitration proceedings, pending or threatened, of which it is aware, that may have or have had, in the 12-month period preceding the date of the Specific Repurchases, a material effect on the financial position of either MICROmega or its subsidiaries.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are stated on page 6 above, collectively and individually, accept full responsibility for the accuracy of the information contained in the circular 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 the circular contains all information required by law and the Listings Requirements. The Board expresses their regret in respect of the non-compliance and have put all remedial processes in place to prevent any future recurrences. The Board assures shareholders that whilst the Listings Requirements were not fully complied with, the economic interests of all shareholders were in no way compromised.

## 11. EXPERTS' CONSENTS

The Sponsor and the transfer secretaries have consented in writing to act in the capacities stated and to their names being stated in this have not, prior to the last practicable date, withdrawn their consents prior to publication of this circular.

## 12. COSTS

The costs of the Specific Repurchases, which amount to approximately R160 000.00 excluding VAT, are detailed in the table below:

	<b>Estimated R</b>
Merchantec Proprietary Limited – Sponsor	120 000.00
JSE document inspection fees	19 629.75
Other	370.25
Printing and postage	20 000.00
<b>Total</b>	<b>160 000.00</b>

## 13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the office of MICROmega which address is set out in the “Corporate Information” section of the circular, during normal business hours from Friday, 18 December 2015 up to and including, Tuesday, 19 January 2016:

- the Company’s Memorandum of Incorporation;
- the written consent letters referred to in paragraph 11 above; and
- a signed copy of this circular.

## 14. GENERAL MEETING

A general meeting of MICROmega shareholders will be held at 10:00 on Tuesday, 19 January 2016 at the registered office of MICROmega, MMG House, 66 Park Lane, Sandton, 2196, in order to consider and approve the resolutions set out in the notice of general meeting included in this circular.

A notice convening the general meeting and a form of proxy for use by certificated shareholders and dematerialised shareholders with “own name” registration who are unable to attend the general meeting, form part of this circular.

**Certificated shareholders and dematerialised shareholders with “own name” registration, who** are unable to attend the general meeting and wish to be represented thereat, must complete and return the attached form of proxy in accordance with the instructions contained therein.

**Dematerialised shareholders, other than dematerialised shareholders with “own name” registration, who:**

- are unable to attend the general meeting and 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 concerned, in the manner and within the time stipulated therein;
- wish to attend the general meeting, must instruct their CSDP or broker to issue them with the necessary written Letter of Representation to attend.

SIGNED ON BEHALF OF THE MICROmega BOARD

**I G Morris**

*Chief Executive Officer*

18 December 2015  
Johannesburg

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## EXTRACTS OF THE COMPANY'S MEMORANDUM OF INCORPORATION

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For the purpose of this Annexure 1, "Act" refers to the Companies Act, 2008 (Act 71 of 2008), as amended, consolidated or re-enacted from time to time, and includes all schedules to such Act and the Regulations.

A reference to a section by number refers to the corresponding section of the Act, notwithstanding the renumbering of such section after the date on which the Company is incorporated.

A reference to a clause by number refers to a corresponding provision of the Memorandum of Incorporation.

### 19. ACQUISITION BY THE COMPANY OF ITS OWN SHARES

- 19.1 Subject to the JSE Listings Requirements, the provisions of section 48 and the further provisions of this clause 19 –
- 19.1.1 the Board may determine that the Company acquire a number of its own Shares; and
  - 19.1.2 the board of any subsidiary of the Company may determine that such subsidiary acquire Shares of the Company, but –
    - 19.1.2.1 not more than 10% (ten percent), in aggregate, of the number of issued Shares of any class may be held by, or for the benefit of, all of the subsidiaries of the Company, taken together; and
    - 19.1.2.2 no voting rights attached to those Shares may be exercised while the Shares are held by that subsidiary and it remains a subsidiary of the Company.
- 19.2 Any decisions by the Company to acquire its own Shares must comply with the JSE Listings Requirements and the requirements of section 46 and, accordingly, the Company may not acquire its own Shares unless –
- 19.2.1 for as long as it is required in terms of the JSE Listings Requirements, the acquisition has been approved by a special resolution of the Shareholders, whether in respect of a particular repurchase or generally approved by Shareholders and unless such acquisition otherwise complies with the sections 5.67 to 5.69 of the JSE Listings Requirements (or such other section(s) as may be applicable from time to time);
  - 19.2.2 the acquisition –
    - 19.2.2.1 is pursuant to an existing legal obligation of the Company, or a court order; or
    - 19.2.2.2 the Board, by resolution, has authorised the acquisition;
  - 19.2.3 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed acquisition; and
  - 19.2.4 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed acquisition.
- 19.3 A decision of the Board referred to in clause 19.1 above –
- 19.3.1 must be approved by a special resolution of the Shareholders if any Shares are to be acquired by the Company from a Director or prescribed officer of the Company, or a person related to a Director or prescribed officer of the Company; and
  - 19.3.2 is subject to the requirements of sections 114 and 115 of the Act if considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% (five percent) of the issued Shares of any particular class of the Company's Shares.
- 19.4 Notwithstanding any other provision of this Memorandum of Incorporation, the Company may not acquire its own Shares, and no subsidiary of the Company may acquire Shares of the Company if, as a result of that acquisition, there would no longer be any Shares of the Company in issue other than –
- 19.4.1 Shares held by one or more subsidiaries of the Company; or
  - 19.4.2 convertible or redeemable Shares.

# MICROmega

## HOLDINGS LIMITED MICROmega Holdings Limited

Incorporated in the Republic of South Africa  
(Registration number 1998/003821/06)  
Share code: MMG ISIN: ZAE000034435  
("MICROmega" or "the Company")

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### NOTICE OF GENERAL MEETING

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**If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.**

Notice is hereby given that a general meeting of shareholders of the Company will be held at 10:00 on Tuesday, 19 January 2016 at the registered office of MICROmega, MMG House, 66 Park Lane, Sandton, 2196, to consider, and, if deemed fit, to pass, with or without modification, the special and ordinary resolutions set out hereunder.

The board of directors of the Company determined that the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the general meeting is Friday, 8 January 2016. Accordingly the last day to trade in MICROmega shares in order to be recorded in the Register to be entitled to vote will be Thursday, 31 December 2015.

#### **SPECIAL RESOLUTION NUMBER 1 – Approval of the Specific Repurchases**

**"Resolved that,** the Specific Repurchases (which shall bear the same meaning ascribed in the circular to which this notice of General Meeting is attached and which General Meeting this resolution will be proposed), be and is hereby approved."

#### **Explanatory note**

In terms of the Companies Act, the Listings Requirements of the JSE and the Company's Memorandum of Incorporation, the minimum percentage of voting rights that is required for Special Resolution Number 1 to be adopted is 75% (seventy five percent) of the votes exercised on such special resolution by shareholders present or represented by proxy at the general meeting.

#### **ORDINARY RESOLUTION NUMBER 1 – Authority granted to directors**

**"RESOLVED THAT** each director of MICROmega Holdings Limited ("MICROmega") be and is hereby individually authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the resolutions passed at the general meeting of shareholders of MICROmega."

#### **Explanatory note**

The adoption of this Ordinary Resolution Number 1 will authorise any director of the Company to execute all documents and do all such further acts and things as he may in his discretion consider appropriate to implement and give effect to the resolutions set out in this notice of general meeting.

Ordinary resolutions to be adopted at this general meeting require the support of a simple majority, which is more than 50% of the voting rights exercised on the resolutions.

#### **VOTING AND PROXIES**

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. For the convenience of registered members of the Company, a form of proxy is enclosed herewith.

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

- hold MICRO*Omega* shares in certificated form; or
- are recorded on the electronic sub-register in “own name” dematerialised form.

Shareholders who have dematerialised their shares through a CSDP or broker without “own name” registration and who wish to attend the general meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the general meeting in person or by proxy and vote.

If they do not wish to attend in person or by proxy, 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.

Forms of proxy should be forwarded to reach the transfer secretaries, Singular Systems Proprietary Limited, at least 48 (forty-eight) hours, excluding Saturdays, Sundays and public holidays, before the time of the meeting.

Kindly note that meeting participants, which includes proxies, are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders’ meeting. Forms of identification include valid identity documents, driver’s licenses and passports.

By order of the Board

**Ruan Viljoen**

Johannesburg  
18 December 2015

**Registered office**

MMG House  
66 Park Lane  
Sandton, 2196

**Transfer secretaries**

Singular Systems Proprietary Limited  
(Registration number 2002/001492/07)  
28 Fort Street  
Birnam  
Johannesburg, 2196  
(PO Box 785261, Sandton, 2146)



# MICROmega

## HOLDINGS LIMITED MICROmega Holdings Limited

Incorporated in the Republic of South Africa  
(Registration number 1998/003821/06)  
Share code: MMG ISIN: ZAE000034435  
("MICROmega" or "the Company")

### FORM OF PROXY

For use only by shareholders who:

- hold shares in certificated form ("certificated shareholders"); or
- have dematerialised their shares ("dematerialised shareholders") and are registered with "own-name" registration,

at the general meeting of shareholders of the Company to be held at 10:00 on Tuesday, 19 January 2016 at the at the registered office of MICROmega, MMG House, 66 Park Lane, Sandton, 2196, and any adjournment thereof.

Dematerialised shareholders holding shares other than with "own-name" registration, who wish to attend the general meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the general meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the general meeting in person or by proxy and vote. If they do not wish to attend the general meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. **These shareholders must not use this form of proxy.**

I/We

(full name/s in block letters)  
of (address)

Telephone work ( )

Telephone home ( )

Cell ( )

Cell phone number

being the holder/custodian of  shares of the Company, hereby appoint (see note):

1.  or failing him/her,

2.  or failing him/her,

3. the Chairperson of the general meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the general meeting of the Company convened for purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each postponement or adjournment thereof, and to vote for and/or against such resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the shares registered in my/our name in accordance with the following instructions:

	Number of shares		
	For	Against	Abstain
<b>Special Resolution Number 1</b> Approval of the Specific Repurchases			
<b>Ordinary Resolution Number 1</b> Authority granted to directors			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the general meeting may appoint one or more proxies to attend and act in his/her stead. A proxy so appointed need not be a member of the Company

Signed at

on

2015/2016

Signature

Assisted by (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the general meeting.

## Notes to proxy

### 1. Summary of Rights Contained in Section 58 of the Companies Act

#### In terms of section 58 of the Companies Act:-

- a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders meeting on behalf of such shareholder;
  - a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
  - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
  - any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
  - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company; and
  - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 7).
2. The form of proxy must only be used by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
  3. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the general meeting 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.
  4. A shareholder entitled to attend and vote at the general meeting may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the general meeting". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
  5. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
  6. A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting, notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 (forty-eight) hours before the commencement of the general meeting.
  7. If a shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the general meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
  8. The Chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
  9. A shareholder's authorisation to the proxy including the Chairperson of the general meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the general meeting.
  10. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
  11. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or is waived by the Chairperson of the general meeting.
  12. 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 transfer secretaries of the Company.
  13. Where there are joint holders of shares:
    - any one holder may sign the form of proxy;
    - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company's register of ordinary 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).
  14. Forms of proxy should be lodged with or mailed to Singular Systems Proprietary Limited:

<b>Hand deliveries to:</b> 28 Fort Street Birnam Johannesburg, 2196	<b>Postal deliveries to:</b> PO Box 785261 Sandton 2146
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to be received by no later than 10:00 on Friday, 15 January 2016 (or 48 (forty-eight) hours before any adjournment of the general meeting which date, if necessary, will be notified on SENS).
  15. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.