

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 10 of this document apply to this entire document, including the cover page, except where the context indicates a contrary intention.

Action required by certificated and dematerialised shareholders

This document is important and should be read with particular attention to the section entitled: "Action required by shareholders", which commences on page 5.

If you are in any doubt as to what action you should take, please consult your broker, banker, legal advisor, CSDP or other professional advisor immediately.

If you have disposed of all your Vox shares, this circular should be handed to the purchaser of such Vox shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Vox and BidCo do not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or broker including, without limitation, any failure on the part of the CSDP or broker of any beneficial owner of Vox shares to notify such beneficial owner of the transactions set out in this circular.



VOX TELECOM LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1998/016433/06)
(Share code: VOX) (ISIN: ZAE000097234)

**BUSINESS VENTURE
INVESTMENTS NO 1542 LIMITED**

(Incorporated in the Republic of South Africa)
(Registration number 2011/008393/06)

CIRCULAR TO VOX SHAREHOLDERS

regarding:

- a scheme of arrangement in terms of section 114 of the Companies Act, proposed by the board between Vox and the Vox shareholders, for the purpose of BidCo acquiring all of the Vox shares from the Vox shareholders. In terms of the scheme, each Vox shareholder will be entitled to elect to receive:
 - a cash consideration of 45 cents for every Vox share; or
 - one BidCo share for every 10 Vox shares; or
 - a combination of the cash consideration and the consideration shares,on the basis that in the absence of an election by 12:00 on the scheme consideration record date, a Vox shareholder will be deemed to have elected to receive the cash consideration; and
- the delisting of Vox shares from the Alternative Exchange operated by the JSE,

and incorporating:

- a report prepared by the independent expert in terms of section 114(3) of the Companies Act;
- a statement of dissenting shareholders' appraisal rights in terms of section 164(2) of the Companies Act;
- extracts of section 115 of the Companies Act, dealing with approval required for fundamental transactions and section 164 of the Companies Act, dealing with dissenting shareholders' appraisal rights;
- historical and pro forma financial information in respect of Vox and BidCo;
- a notice of shareholders' meeting;
- a form of proxy in respect of the shareholders' meeting (*blue*) (for use by certificated shareholders and dematerialised shareholders with own name registration only);
- a form of surrender, election and transfer in respect of the scheme (*pink*) (for use by certificated scheme participants only);
- an application form for subscription for consideration shares (*yellow*) (for use by all scheme participants who elect to receive consideration shares); and
- a prospectus, in respect of BidCo, prepared in terms of section 100 of the Companies Act and Companies Regulations 51 to 79.

**Corporate advisor and
Designated Advisor to Vox**



Independent expert to Vox



Legal and tax advisor to Vox



**Auditors and Reporting
Accountants to Vox and BidCo**



**Corporate advisor to the
consortium and BidCo**



**Legal advisor to the consortium
and BidCo**



Communications advisor to the consortium



Grindrod Bank Limited, which is authorised and regulated in South Africa by the Financial Services Board, is acting exclusively for Vox and no one else in connection with the scheme and will not be responsible to anyone, other than Vox for providing the protections afforded to clients of Grindrod Bank Limited, nor for providing advice in relation to the scheme, the contents of this circular or any other matter referred to herein.

Investec, which is authorised and regulated in South Africa by the Financial Services Board, is acting exclusively for BidCo and no one else in connection with the scheme and will not be responsible to anyone, other than BidCo for providing the protections afforded to clients of Investec, nor for providing advice in relation to the scheme, the contents of this circular or any other matter referred to herein.

Date of issue: 9 September 2011

This circular is only available in English. Copies of this circular may be obtained from the registered offices of Vox at Block D, Rutherford Estate, 1 Scott Street, Waverley and the offices of Grindrod Bank Limited at 1st Floor, Building 3, Commerce Square, 39 Rivonia Road, Sandton, from Friday, 9 September until Wednesday, 12 October 2011.

TABLE OF CONTENTS

The definitions and interpretations commencing on page 10 of this document have been used in this table of contents.

	<i>Page</i>
Corporate information and advisors	3
Important legal notes	4
Action required by shareholders	5
Important dates and times relating to the scheme	8
Definitions and interpretation	10
Combined circular to Vox shareholders	
1. Introduction	14
2. Rationale for the scheme	15
3. Terms of the scheme, scheme consideration and shareholders' rights	16
4. Conditions precedent to the scheme	17
5. Shareholders' meeting	18
6. Surrender of documents of title	18
7. Settlement of the scheme consideration	19
8. Effects of the scheme	20
9. Dissenting shareholders' appraisal rights	20
10. Special arrangements	21
11. Foreign shareholders and Exchange control regulations	24
12. Tax implications for South African scheme participants	25
13. Financial information relating to Vox	26
14. Financial information relating to BidCo	26
15. Directors of Vox	27
16. Interests of Vox and its directors	28
17. Interests of the consortium, BidCo and its directors	30
18. Share capital of Vox	30
19. Share capital of BidCo	30
20. Suspension and termination of listing	31
21. Other information with respect to the scheme	31
22. Confirmation of financial resources and securities to settle the scheme consideration	31
23. Major shareholders	32
24. Irrevocable undertakings	32
25. Agreements in relation to the scheme	32
26. Independent board	33
27. Costs of the scheme	33
28. Material changes and litigation	33
29. Opinions and recommendations	33
30. Responsibility statement	34
31. Consents	34
32. Documents available for inspection	34

	<i>Page</i>	
Annexure 1	Historical financial information of Vox	35
Annexure 2	Report of the independent expert	38
Annexure 3	Price history of Vox shares on the JSE	42
Annexure 4	<i>Pro forma</i> financial effects pertaining to the consideration shares	43
Annexure 5	Reporting accountants' report on the <i>pro forma</i> financial effects pertaining to the consideration shares	46
Annexure 6	Relevant sections of the Companies Act	48
Annexure 7	Details of trading in Vox shares by the consortium and shareholders who have provided irrevocable undertakings	54
Annexure 8	Extract of clause 11 of the memorandum of incorporation of BidCo	55
Annexure 9	Extract of clause 34 and Schedule "2" of the memorandum of incorporation of BidCo	57
Notice of shareholders' meeting		58
Form of proxy – shareholders' meeting (for use by certificated scheme members and dematerialised scheme members with own name registration only) (blue)		Attached
Form of surrender, election and transfer in respect of the scheme (for use by certificated scheme participants only) (pink)		Attached
Application for subscription form (for use by all scheme participants who elect to receive consideration shares) (yellow)		Attached

CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office of Vox

G J Koen (CA(SA))

Vox Telecom Limited

(Registration number 1998/016433/06)
Block D1
Rutherford Estate
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Waverley, 2090
(PO Box 369, Rivonia, 2128)

Date and place of incorporation:

20 August 1998 – South Africa

Corporate advisor and Designated Advisor to Vox

Grindrod Bank Limited

(Registration number 1994/007994/06)
Building Three, 1st floor
Commerce Square
39 Rivonia Road, corner Helling Road
Sandton, 2196
(PO Box 78011, Sandton, 2146)

Legal and tax advisor to Vox

Webber Wentzel

10 Fricker Road
Illovo Boulevard
Illovo
Johannesburg, 2196
(PO Box 61771, Marshalltown, 2107)

Independent expert to Vox

KPMG Services (Proprietary) Limited

(Registration number 1999/012876/07)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parkview, 2122)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited

(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Registered office of BidCo

Business Venture Investments No 1542 Limited

(Registration number 2011/008393/06)
100 Grayston Drive
Sandton, 2196
(PO Box 785700, Sandton, 2146)

Date and place of incorporation:

13 April 2011 – South Africa

Corporate advisor to the consortium and BidCo

Investec Corporate Finance

(a division of Investec Bank Limited)
(Registration number 1969/004763/06)
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Sandton, 2196
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Legal advisor to the consortium and BidCo

Cliffe Dekker Hofmeyr Inc

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Auditors and Reporting Accountants to Vox

Deloitte & Touche

(Practice number 902276)
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Woodmead, 2146
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Communications advisor to the consortium

Brunswick (South Africa) Limited

(Registration number 1995/011507/10)
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Illovo, 2196
(PO Box 2603, Saxonwold, 2132)

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 10 of this document have been used in this disclaimer.

APPLICABLE LAWS

The release, publication or distribution of this document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this document is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute the solicitation of an offer to purchase shares or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful.

The scheme, which is the subject of this document, may be affected by the laws of the relevant jurisdictions of non-resident shareholders. Such non-resident shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any non-resident shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the scheme, which is the subject of this document, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due to such jurisdiction.

The scheme is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Companies Act and the Takeover Regulations.

Any shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

FORWARD-LOOKING STATEMENTS

This circular contains statements about Vox and BidCo that are, or may be, forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, expansion prospects or future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Vox and BidCo caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Vox and BidCo operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this circular.

All these forward-looking statements are based on estimates and assumptions, as regards Vox, made by Vox or, as regards BidCo, made by BidCo as communicated in publicly available documents by the respective companies, all of which estimates and assumptions, although Vox and/or BidCo believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Vox or BidCo or not currently considered material by Vox or BidCo.

Vox shareholders should keep in mind that any forward-looking statement made in this circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of either Vox or BidCo not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Vox and BidCo have no duty to, and do not intend to, update or revise the forward-looking statements contained in this circular after the date of this circular, except as may be required by law.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 10 of this document shall apply *mutatis mutandis* to this section.

This circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your broker, CSDP, banker, accountant, attorney or other financial advisor. If you have disposed of your Vox shares, this circular should be handed to the purchaser of such Vox shares or the broker, CSDP or other agent who disposed of your Vox shares for you.

Please take careful note of the following provisions regarding the action to be taken by shareholders:

A meeting of Vox shareholders will be held at the Everest Auditorium, Vox Telecom, Block B2, Rutherford Estate, 1 Scott Street, Waverley, 2090 at 10:00 on Wednesday, 12 October 2011 to consider and, if deemed fit, to pass the resolutions required to approve the scheme in terms of which, if the scheme becomes operative, BidCo will acquire the entire issued share capital of Vox (save for the Vox shares held by dissenting shareholders that do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by Vox to them in terms of section 164(11) of the Companies Act to lapse, as more fully described in paragraph 9.4 of this circular). A notice convening such shareholders' meeting is attached to and forms part of this circular.

I. DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN NAME DEMATERIALISED SCHEME MEMBERS

- 1.1** If you wish to attend, speak and vote at the shareholders' meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to your CSDP or broker by the cut-off time and date advised by your CSDP or broker for instructions of this nature.
- 1.2** If you do not wish to or are unable to attend but wish to vote at the shareholders' meeting you should provide your CSDP or broker with your voting instructions, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to your CSDP or broker by the cut-off time and date advised by your CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.
- 1.3** Scheme participants can elect to receive either the cash consideration, the consideration shares, or a combination thereof. You should instruct your CSDP or broker of the election you wish to make. **In the absence of an election being received by the transfer secretaries by 12:00 on the scheme consideration record date, scheme participants will be deemed to have elected to receive the cash consideration.**
- 1.4** If the scheme becomes operative, dematerialised scheme participants (and dissenting shareholders who become scheme participants pursuant to paragraph 9.4 on or before the scheme consideration record date) who have elected to receive the cash consideration or have made no election at all, will have the cash consideration paid to their account at their CSDP or broker on the operative date in terms of the custody agreement entered into between the dematerialised scheme participants and their CSDP or broker. Dematerialised scheme participants (and dissenting shareholders who become scheme participants pursuant to paragraph 9.4 on or before the scheme consideration record date) who have elected to receive the consideration shares will have share certificates in respect of the consideration shares sent to them by registered post on the operative date. If you are a dissenting shareholder who becomes a scheme participant pursuant to paragraph 9.4 after the scheme consideration record date, the cash consideration will be paid to you on the date specified in paragraph 9.4.
- 1.5** Dematerialised shareholders do not have to surrender any documents of title. This will be done by their CSDP or broker.
- 1.6** You must **not** complete the attached form of proxy (*blue*) or the form of surrender, election and transfer (*pink*).
- 1.7** If you **elect** to receive the **consideration shares** you must **instruct your CSDP** to complete the attached form of application for subscription (*yellow*) and deliver it to the transfer secretaries by 12:00 on the scheme consideration record date.

2. DEMATERIALISED SHAREHOLDERS WHO ARE OWN NAME DEMATERIALISED SCHEME MEMBERS

- 2.1 You may attend the shareholders' meeting and may vote at the shareholders' meeting.
- 2.2 If you do not wish to or are unable to attend the shareholders' meeting and wish to be represented thereat, you must complete and return the attached form of proxy (*blue*) in accordance with the instructions therein to the transfer secretaries, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown, 2107) to be received no later than 10:00 on Monday, 10 October 2011 in order to be valid.
- 2.3 Scheme participants can elect to receive as the scheme consideration either the cash consideration, the consideration shares, or a combination thereof. **In the absence of an election being received by the transfer secretaries by 12:00 on the scheme consideration record date, scheme participants will be deemed to have elected to receive the cash consideration.**
- 2.4 If the scheme becomes operative, own name dematerialised scheme participants (and dissenting shareholders who become scheme participants pursuant to paragraph 9.4 on or before the scheme consideration record date), who have elected to receive the cash consideration or have made no election, will have the cash consideration paid to their accounts at their CSDP or broker on the operative date in terms of the custody agreement entered into between the own name dematerialised scheme participants and their CSDP or broker. Dematerialised scheme participants (and dissenting shareholders who become scheme participants pursuant to paragraph 9.4 on or before the scheme consideration record date) who have elected to receive the consideration shares will have such consideration shares sent to them by registered post on the operative date. If you are a dissenting shareholder who becomes a scheme participant pursuant to paragraph 9.4 after the scheme consideration record date, the cash consideration will be paid to you on the date specified in paragraph 9.4.
- 2.5 You must **not** complete the attached form of surrender, election and transfer (*pink*).
- 2.6 If you **elect** to receive **consideration shares you must complete** the attached form of application for subscription (*yellow*) and deliver it to the transfer secretaries by 12:00 on the scheme consideration record date.

3. CERTIFICATED SHAREHOLDERS

- 3.1 You may attend the shareholders' meeting and may vote at the meeting.
- 3.2 If you do not wish to or are unable to attend the shareholders' meeting and wish to be represented thereat, you must complete and return the attached form of proxy (*blue*) in accordance with the instructions therein to the transfer secretaries, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown, 2107) to be received no later than 10:00 on Monday, 10 October 2011 in order to be valid.
- 3.3 Certificated scheme participants are required to surrender their documents of title in respect of all their scheme shares in order to claim the scheme consideration. A certificated scheme participant who wishes to expedite receipt of the scheme consideration and surrender his documents of title in anticipation of the scheme becoming operative should complete the attached form of surrender, election and transfer (*pink*) and return it, together with the relevant documents of title relating to all his scheme shares, in accordance with the instructions therein, to the transfer secretaries, 70 Marshall Street, Johannesburg (PO Box 61763, Marshalltown, 2107).
- 3.4 Documents of title surrendered by certificated scheme participants prior to 12:00 on Friday, 25 November 2011 in anticipation of the scheme becoming operative will be held in trust by the transfer secretaries, at the risk of the scheme participant, pending the scheme becoming operative. Should the scheme not become operative, such documents of title will be returned to shareholders by the transfer secretaries within five days from the date of receipt or the date on which it becomes known that the scheme has failed.
- 3.5 Scheme participants can elect to receive as the scheme consideration, the cash consideration, the consideration shares, or a combination thereof. **In the absence of an election being received by the transfer secretaries by 12:00 on the scheme consideration record date, scheme participants will be deemed to have elected to receive the cash consideration as opposed to the consideration shares.**
- 3.6 Except in respect of certificated scheme participants who have elected to receive the cash consideration and who have elected to receive the cash consideration by electronic transfer as set out in paragraph 3.7 below, the scheme consideration (either the cash consideration or the consideration shares) will be posted (by registered post in the case of the consideration shares) to scheme participants (and dissenting shareholders who become scheme participants pursuant to paragraph 9.4 on or before the scheme consideration record date) on the operative date, if the form of surrender, election and transfer (*pink*) together with the relevant document(s) of title have been properly surrendered to the transfer secretaries by the scheme consideration record date or, if

the scheme participant's documents of title are surrendered after the scheme consideration record date, within five business days after receipt thereof by the transfer secretaries.

- 3.7** Certificated scheme participants who wish to receive the cash consideration by electronic transfer must complete Part C of the form of surrender, election and transfer (*pink*).
- 3.8** If you have **elected** to receive the **consideration shares, you must complete** the attached form of application for subscription (*yellow*) and deliver it to the transfer secretaries by 12:00 on the scheme consideration record date.
- 3.9** Should you:
- 3.9.1** be a dissenting shareholder who becomes a scheme participant pursuant to paragraph 9.4 of this circular after the scheme consideration record date, you will still need to surrender your documents of title, together with a completed form of surrender, election and transfer (*pink*) and form of application for subscription (*yellow*), if applicable, by 12:00 on Friday, 25 November 2011, to the transfer secretaries and payment of the scheme consideration will only be posted to you or paid to you on the date set out in paragraph 9.4.2 of this circular; and
- 3.9.2** fail to surrender your documents of title and completed form of surrender, election and transfer (*pink*) and form of application for subscription (*yellow*), if applicable, to the transfer secretaries within 12 months after the operative date or, if you are a dissenting shareholder who subsequently becomes a scheme participant pursuant to paragraph 9.4 of this circular, within 12 months after the date on which you subsequently became a scheme participant pursuant to paragraph 9.4 of this circular, the scheme consideration payable to you will be forfeited for the benefit of the company. Vox will, following the operative date, amend its Memorandum of Incorporation to allow for this forfeiture, and provide the TRP with written proof of same having been attended to immediately thereafter.

4. GENERAL

4.1 Dematerialisation

If you wish to dematerialise your Vox shares, please contact your broker. Vox shareholders are advised that no dematerialisation of Vox shares will take place after Friday, 18 November 2011.

4.2 Documents of title lost or destroyed

If documents of title relating to any scheme shares to be surrendered are lost or destroyed, certificated scheme participants should nevertheless return the form of surrender, election and transfer (*pink*), duly signed and completed, together with an indemnity form obtainable from the transfer secretaries.

Vox may dispense with the surrender of such documents of title upon production of evidence satisfactory to Vox that the documents of title to the scheme shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to them.

4.3 Non-resident shareholders

Vox shareholders who are not resident in or who have registered addresses outside South Africa must satisfy themselves as to the full observance of the laws of any applicable territory concerning the receipt of the scheme consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. Vox shareholders who are in any doubt as to their position should consult their professional advisors.

4.4 Electronic participation

Shareholders are advised that no facilities for electronic participation in the shareholders' meeting will be made available.

5. DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

Shareholders who wish to exercise their rights in terms of section 164 of the Act are referred to paragraph 9 on page 20 of this document. Shareholders who wish to exercise their rights in terms of the aforementioned section are required, before the resolution to approve the scheme is voted on at the shareholders' meeting, to give notice to the company in writing objecting to the resolution and to vote against the resolution at the shareholders' meeting.

IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

2011

Notice of shareholders' meeting released on SENS on	Friday, 9 September
Circular posted to Vox shareholders on	Friday, 9 September
Notice of shareholders' meeting published in the press on	Monday, 12 September
Last day to trade in Vox shares in order to be recorded in the register to vote at the shareholders' meeting (see note b below) on	Friday, 30 September
Voting record date to vote at the shareholders' meeting by close of trading on	Friday, 7 October
Last day to lodge forms of proxy in respect of the shareholders' meeting by 10:00 on (see note c below)	Monday, 10 October
Last date and time for Vox shareholders to give notice, in terms of section 164 of the Act, to Vox objecting to the special resolution approving the scheme by 10:00 on	Wednesday, 12 October
Shareholders' meeting to be held at 10:00 on	Wednesday, 12 October
Publication of results of the shareholders' meeting on SENS on	Wednesday, 12 October
Publication of results of the shareholders' meeting in the press on	Thursday, 13 October
If the scheme is approved by shareholders at the shareholders' meeting:	
Last date on which shareholders can make application to the court in terms of section 115(3) of the Act	Wednesday, 26 October
Last date for Vox to send objecting shareholders notices of the adoption of the special resolution approving the scheme, in terms of section 164 of the Act	Wednesday, 26 October
If no shareholders exercise their rights in terms of section 115 of the Act:	
Finalisation date expected to be on	Thursday, 10 November
Finalisation announcement released on SENS on	Thursday, 10 November
Finalisation announcement published in the press on	Friday, 11 November
Last day to trade to participate in scheme consideration on	Friday, 18 November
Suspension of listing of Vox shares at commencement of trading on	Monday, 21 November
Scheme consideration record date, being the date on which scheme participants must be recorded in the register to receive the scheme consideration, by close of trading on	Friday, 25 November
Last date on which the scheme participants can make an election in respect of the scheme consideration by 12:00 on	Friday, 25 November
The operative date of the scheme is expected to be on	Monday, 28 November
Scheme consideration expected to be paid/posted to certificated scheme participants (if documents of title are received on or prior to 12:00 on the scheme consideration record date) on or about	Monday, 28 November
Dematerialised scheme participants expected to have their accounts (held at their CSDP or broker) updated or the consideration shares posted to them on or about	Monday, 28 November
Termination of listing of Vox shares at the commencement of trading on or about	Tuesday, 29 November

Notes:

- (a) All dates and times may be changed by mutual agreement between Vox and BidCo and/or may be subject to the obtaining of certain regulatory approvals. Any change will be published on SENS and in the press. The TRP granted Vox an extension in respect of the date for the posting of this circular to Vox shareholders in order to allow for the registration of BidCo's prospectus with CIPC.
- (b) Vox shareholders should note that as transactions in Vox shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore shareholders who acquire shares after Friday, 30 September 2011 will not be eligible to vote at the shareholders' meeting.
- (c) Vox shareholders who wish to exercise their appraisal rights are referred to paragraph 9 of this circular for the purposes of determining the relevant timing for the exercise of their appraisal rights.
- (d) Shareholders who wish to exercise their right to obtain the approval of a court for the scheme, in terms of section 115(3) of the Act, should refer to Annexure 6 which includes an extract of section 115 of the Act. Should shareholders exercise their rights in terms of section 115(3) of the Act, the dates and times set out above will not be relevant. Shareholders will be notified separately of the applicable dates and times under this process.
- (e) All times given in this document are local times in South Africa.
- (f) Share certificates may not be dematerialised after Friday, 18 November 2011.
- (g) If the shareholders' meeting is adjourned or postponed, forms of proxy submitted for the initial shareholders' meeting will remain valid in respect of any adjournment or postponement of the shareholders' meeting.
- (h) Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Takeover Regulations, where applicable, and any such consents or dispensations must be specifically applied for and granted.

DEFINITIONS AND INTERPRETATION

“Act” or “Companies Act”	the Companies Act, 2008 (Act No. 71 of 2008), as amended;
“act in concert”	any action pursuant to an agreement between or among two or more persons, in terms of which any of them co-operate for the purpose of entering into or proposing an affected transaction or offer, as contemplated in the Act;
“appraisal rights”	the rights afforded to Vox shareholders in terms of section 164 of the Companies Act, an extract of which is set out in Annexure 6;
“BidCo”	Business Venture Investments No 1542 Limited (registration number 2011/008393/06), a public company incorporated in South Africa, acquired by the consortium for the purpose of implementing the scheme, and, prior to the scheme, the shareholding of which is owned by the consortium members in equal proportion;
“BidCo share”	an ordinary share of no par value in the authorised but unissued share capital of BidCo;
“board”	the board of directors of Vox, as reflected in paragraph 15 of this document;
“Botha Family Trust”	the Botha Family Trust, an <i>inter vivos</i> trust with Master’s Reference IT 55/94, the beneficiaries of which are the immediate family of Paul Botha, a director of Lereko Metier;
“broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Securities Services Act;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“cash consideration”	45 cents per scheme share;
“cents”	South African cents in the official currency of South Africa;
“certificated scheme members”	scheme members who hold certificated shares;
“certificated scheme participants”	scheme participants who hold certificated shares;
“certificated shares”	Vox shares, represented by a share certificate or other document(s) of title, which are not dematerialised shares;
“certificated shareholders”	holders of certificated shares;
“CGT”	Capital Gains Tax, as levied in terms of schedule 8 to the Income Tax Act;
“CIPC”	the Companies and Intellectual Property Commission, established in terms of section 185 of the Act, or its successor body;
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Regulations”	the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
“conditions precedent”	the conditions precedent to which the scheme is subject as set out in paragraph 4 of this circular;
“consideration shares”	one BidCo share for every 10 scheme shares;
“consortium”	collectively, Lereko Metier and Investec, each of whom owns, prior to the scheme, 50% of the issued ordinary shares of no par value in BidCo;

“consortium agreement”	the agreement entered into between BidCo and the consortium on 14 July 2011, as amended by the first addendum thereto dated 5 September 2011;
“court”	any South African court with competent jurisdiction to approve the implementation of the special resolution set out in the notice of shareholders’ meeting pursuant to section 115 of the Companies Act and/or to determine the fair value of Vox shares pursuant to section 164(14) of the Companies Act;
“CSDP”	means a person that holds in custody and administers securities or an interest in securities and that has been accepted in terms of section 34 of the Securities Services Act by a central securities depository as a participant in that central securities depository or a “participant”, as defined in the Securities Services Act;
“Dealstream”	Dealstream Securities (Proprietary) Limited (registration number 2004/032784/07), a private company that has ceased trading;
“dematerialised scheme members”	scheme members who hold dematerialised shares;
“dematerialised scheme participants”	scheme participants who hold dematerialised shares;
“dematerialised shares”	Vox shares that have been dematerialised through a CSDP or broker and are held in a sub-register in electronic form;
“dematerialised shareholders”	all holders of dematerialised shares;
“dissenting shareholders”	Vox shareholders who validly exercise their appraisal rights by demanding, in terms of section 164(5) to 164(8) of the Companies Act that the company pay them the fair value of all their Vox shares;
“this document” or “the/this circular”	all the documents contained in this bound document dated 9 September 2011, including the notice of the shareholders’ meeting, the form of proxy and forms of surrender, election and transfer and the application form for consideration shares;
“documents of title”	valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of Vox shares, reasonably acceptable to Vox;
“emigrant”	any emigrant from the common monetary area whose address is outside the common monetary area;
“Employee Scheme”	the Vox Telecom Limited 2009 Share Plan adopted by shareholders at a general meeting held on 20 August 2009;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended;
“exclusivity undertaking”	the written exclusivity undertaking and non-solicitation letter signed by the consortium and Vox on 26 June 2011, in terms of which Vox gives certain exclusivity and non-solicitation undertakings to the consortium;
“group”	Vox and its subsidiaries;
“independent board”	those directors of Vox whom Vox has indicated act independently, being VW Cuba, D Wallace and P Joubert;
“implementation agreement”	the written implementation agreement entered into between Vox and BidCo in relation to the scheme, dated 14 July 2011;
“Income Tax Act”	the Income Tax Act, 1962 (Act No. 58 of 1962), as amended;
“Investec”	Investec Bank Limited (registration number 1969/004763/06), a public company incorporated in South Africa;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act;

“KPMG” or “the independent expert”	KPMG Services (Proprietary) Limited (registration number 1999/012876/07), acting as independent expert to the independent board;
“last practicable date”	Tuesday, 30 August 2011, being the last practicable date prior to the finalisation of this document;
“Lereko Metier”	Lereko Metier Trustees (Proprietary) Limited (registration number 2005/009192/07), a private company incorporated in South Africa, acting in its capacity as a trustee of the Lereko Metier Capital Growth Fund (Master's reference number IT11855/06) and LMCGF Parallel Trust 1 (Master's reference number IT 12788/08). The Lereko Metier Capital Growth Fund and LMCGF Parallel Trust 1 are private equity investment funds whose investors include domestic and foreign financial institutions, retirement funds and the investment vehicles of high net worth individuals. The funds closed to investors at the end of 2007 with around R3.5 billion of capital including debt facilities and invest in private equity type transactions requiring equity or quasi equity of between R50 million to R500 million;
“Listings Requirements”	the listings requirements of the JSE;
“management participation scheme”	the management participation scheme agreed in principle between certain key management members of Vox and the consortium on 11 July 2011, and subject to BidCo shareholder approval at an appropriate time post the scheme, details of which are included in paragraph 10.2;
“material adverse change”	<p>is an adverse effect, fact or circumstance which is or might reasonably be expected (alone or together with any other such adverse effect, fact or circumstance) to be material with regard to the operations, continued existence, business, condition, assets and liabilities of Vox and its subsidiaries (whether as a consequence of the scheme or not). To be material, the adverse effect, fact or circumstance must:</p> <ul style="list-style-type: none"> (a) have (or be reasonably expected to have) an adverse effect upon Vox's annual profit after tax, of not less than R10 million; or (b) constitute a change in the laws of South Africa (including, without limitation, laws relating to taxation) which has (or may reasonably be expected to have) a material adverse effect upon the scheme such that the effective direct or indirect cost of the scheme would increase by 15% or more; or (c) consist of a fall in the JSE All Share Index of 15% or more compared with such index as at the last trading day of June 2011;
“operative date”	the date on which the scheme becomes operative, which is expected to be on or about Monday, 28 November 2011, being the first business day following the scheme consideration record date;
“own name dematerialised scheme member/s”	dematerialised scheme members who/which have elected to have own name registration;
“R” or “Rand”	South African rand, the official currency of South Africa;
“register”	Vox's share register, including all sub-registers;
“scheme”	the scheme of arrangement in terms of section 114 of the Companies Act proposed by the board of Vox between Vox and the Vox shareholders, as more fully described in paragraph 3 of this circular; in terms of which BidCo will, if the scheme becomes operative, acquire the scheme shares in exchange for the scheme consideration, subject to any modification or amendment made thereto, with the approval of the TRP;
“scheme consideration”	the consideration payable by BidCo to scheme participants, being either the cash consideration or the consideration shares or a combination thereof, as elected by the relevant scheme participant, provided that in the absence of an election, scheme participants will be deemed to have elected to receive the cash consideration;

“scheme consideration record date”	the date on which Vox shareholders must be recorded in the register in order to participate in the scheme and receive the scheme consideration, which date is expected to be Friday, 25 November 2011;
“scheme members”	Vox shareholders recorded in the register on the voting record date who are lawfully entitled to attend and vote at the scheme meeting, except as detailed in paragraph 21.1;
“scheme participants”	(a) holders of scheme shares who are entitled to receive the scheme consideration, being the Vox shareholders registered as such at 17:00 on the scheme consideration record date, except dissenting shareholders who have not withdrawn their demand made in terms of sections 164(5) to 164(8) of the Companies Act or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse on or before the scheme consideration record date; and (b) dissenting shareholders who are subsequently deemed to be scheme participants pursuant to paragraph 9.4 of this circular;
“scheme shares”	Vox shares held by scheme participants on the scheme consideration record date;
“Securities Services Act”	the Securities Services Act, 2004 (Act No. 36 of 2004) as amended;
“SENS”	the Securities Exchange News Service, the news service operated by the JSE;
“shareholders’ meeting”	the meeting of shareholders, to be held at the Everest Auditorium, Vox Telecom, Block B2, Rutherford Estate, 1 Scott Street, Waverley, 2090, at 10:00 on Wednesday, 12 October 2011 to consider and, if deemed fit, approve the resolutions necessary to implement the scheme;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited (registration number 1998/022242/06), a public company incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“sub-register”	each of Vox’s sub-registers of members administered and maintained by CSDPs in electronic form;
“subsidiary”	a subsidiary company, as defined in section 3 of the Companies Act;
“Takeover Regulations”	the Takeover Regulations, issued pursuant to sections 120 and 223 of the Act;
“transfer secretaries”	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated in South Africa;
“TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Act;
“voting record date”	the date on which Vox shareholders must be recorded in the register in order to attend, speak at and vote at the shareholders’ meeting, which date is expected to be Friday, 7 October 2011;
“Vox” or “the company”	Vox Telecom Limited, (registration number 1998/016433/06), a public company incorporated in South Africa, the shares of which are listed on the Alternative Exchange of the JSE;
“Vox shareholders” or “shareholders”	certificated and dematerialised holders of Vox shares;
“Vox shares”	ordinary shares with a par value of 0.1 cent each in the issued share capital of Vox; and
“VWAP”	volume weighted average price.



VOX TELECOM LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1998/016433/06)
(Share code:VOX) (ISIN: ZAE000097234)

BUSINESS VENTURE INVESTMENTS NO 1542 LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2011/008393/06)

COMBINED CIRCULAR TO VOX SHAREHOLDERS

Directors of Vox:

Executive

D G Reed (*Chief Executive Officer*)
G J Koen (*Chief Financial Officer*)

Non-executive

VW Cuba# (*Chairman*)
D Wallace#
RT Dalais
P Joubert#
A D van Zyl (*alternate*)

Directors of BidCo:

Non-executive

J J Viljoen
A Gordhan
P C Botha
A D Van Zyl

Comprising the independent board

I. INTRODUCTION

1.1 It was announced on SENS on 14 July 2011 and in the press on 15 July 2011 that the board had received an offer from BidCo to acquire the entire issued and to be issued share capital of Vox pursuant to the scheme for a consideration, at the election of Vox shareholders, of:

1.1.1 45 cents for every Vox share; or

1.1.2 one BidCo share for every 10 Vox shares; or

1.1.3 a combination of the cash consideration and the consideration shares,

provided that in the event that a Vox shareholder does not make an election by 12:00 on the scheme consideration record date that Vox shareholder shall be deemed to have elected to receive the cash consideration.

1.2 Vox, BidCo and the consortium have entered into the implementation agreement in relation to the scheme. The implementation agreement contains provisions relating to the implementation of the scheme and certain undertakings by Vox, BidCo and the consortium, including terms regarding the conduct of the business of Vox in the interim period between the date of the firm intention announcement and the operative date.

1.3 BidCo and the consortium have, in addition, entered into the consortium agreement in terms of which, *inter alia*, the consortium will lend and advance to BidCo sufficient amounts in order to enable BidCo to cover its costs in relation to the scheme in equal portions, including costs in relation to the negotiation, drafting, preparation and implementation of the consortium agreement and the implementation agreement, the preparation and submission of the necessary legal filings, and all other legal advice in relation to the implementation of the scheme, the costs of the prospectus, the costs of the communications advisor, the costs of Deloitte & Touche, auditors of BidCo, the costs of the legal and operational due diligence investigation, the corporate finance costs, investor relation costs and fees, underwriting costs and fees, and tax advisory costs ("**Costs**"). In terms of the consortium agreement, if the scheme becomes operative, BidCo will be liable to repay any and all amounts advanced by the consortium to BidCo in relation to such Costs out of the first available cash flows of BidCo. In terms of the consortium agreement, if BidCo is liable to repay any Costs to the consortium, the amount of the Costs will be unsecured, and will bear interest at the prime rate plus 2% per annum, nominal annual compounded monthly in arrear until the date of final payment. If the scheme does not become operative, BidCo will not be liable to repay any amounts lent by the consortium to it in respect of such Costs.

- 1.4** Vox has, in addition, entered into the exclusivity undertaking, containing provisions which regulate the manner in which third party approaches will be dealt with by Vox, as more fully set out in paragraph 10.5 of this circular.
- 1.5** The board proposes that the acquisition of the entire issued share capital of Vox be implemented by way of a scheme of arrangement in terms of section 114 of the Act.
- 1.6** Following the implementation of the scheme, BidCo will become the registered and beneficial owner of the entire issued ordinary share capital of Vox (other than Vox shares held by dissenting shareholders that do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Act, or who allow any offers by Vox to them in terms of section 164(11) of the Act to lapse, as more fully described in paragraph 9 below), Vox will become a wholly owned subsidiary of BidCo and the listing of Vox on the JSE will be terminated.
- 1.7** The purpose of this circular is to:
 - 1.7.1** provide Vox shareholders with information regarding the scheme;
 - 1.7.2** provide Vox shareholders with the independent expert's report in respect of the scheme prepared in terms of section 114(3) of the Companies Act;
 - 1.7.3** advise Vox shareholders of the independent board and Vox's recommendation in respect of the scheme (as supported by the independent expert's report); and
 - 1.7.4** convene the shareholders' meeting to consider and, if deemed fit, approve the resolutions as set out in the notice thereof attached to and forming part of this document.
- 1.8** The TRP granted Vox an extension in respect of the posting of this circular to Vox shareholders in order to allow for the registration of BidCo's prospectus with CIPC.

2. RATIONALE FOR THE SCHEME

2.1 Background

The last three years have been challenging for Vox as a result of, amongst others, the following factors:

- 2.1.1** a negative perception of small capitalisation companies exacerbated by the economic fallout from the global financial crisis which has resulted in poor liquidity in Vox shares and a lack of institutional investor support;
- 2.1.2** poor share price performance which has limited Vox's ability to conclude acquisitions, removed any value from employee share incentive schemes and had a negative effect on employee morale;
- 2.1.3** an uncertain regulatory environment in the South African telecommunications industry; and
- 2.1.4** the Dealstream collapse which created negative publicity.

As greater certainty and stability has more recently begun to prevail in the telecommunications regulatory environment, Vox has been required to evolve and adjust its strategy to continue providing compelling telecommunications products and services to its clients. The consortium supports this strategy and believes that it will be best achieved in an unlisted environment where management can focus on delivering the new strategy without distraction, particularly as there is a potential for an impact on short term profitability as this change is implemented. To improve the prospects of success the consortium has agreed to provide management with a revised incentive plan to align their interests with those of the consortium and to deliver long term value from Vox.

The scheme, if it becomes operative, will result in the delisting of Vox as detailed in paragraph 20 below. The scheme will allow Vox shareholders a cash exit opportunity at an attractive premium to the historical market prices of Vox shares or the opportunity to remain invested in the business in an unlisted environment.

2.2 Rationale for Vox shareholders to vote in favour of the scheme at the shareholders' meeting

2.2.1 The cash consideration represents a premium of:

- (a) 21.6% to the closing price of Vox shares on the JSE as at 13 September 2010, being the last business day immediately prior to the date of the first cautionary announcement ("**Publication Date**");
- (b) 40.8% to the VWAP of Vox shares on the JSE for the 30 days up to and including the Publication Date;

- (c) 47.1% to the VWAP of Vox shares on the JSE for the 6 months up to and including the Publication Date;
- (d) 25.8% to the VWAP of Vox shares on the JSE for the 12 months up to and including the Publication Date;
- (e) 21.6% to the closing price of Vox shares as at 13 July 2011, being the last business day immediately prior to the date of the firm intention announcement on 14 July 2011;
- (f) 23.4% to the VWAP of Vox shares on the JSE for the 30 days up to and including 13 July 2011;
- (g) 19.3% to the VWAP of Vox shares on the JSE for the 6 months up to and including 13 July 2011; and
- (h) 19.0% to the VWAP of Vox shares on the JSE for the 12 months up to and including 13 July 2011.

2.2.2 Furthermore, Vox shareholders are afforded the opportunity to remain invested in Vox via BidCo.

2.2.3 Following implementation of the scheme, BidCo intends to manage the business of Vox in the same manner that it was managed prior to the implementation of the scheme, save that the management structure will be different to the Vox management structure.

3. TERMS OF THE SCHEME, SCHEME CONSIDERATION AND SHAREHOLDERS' RIGHTS

In terms of section 114(1) of the Companies Act, the board proposes the scheme as set out in this paragraph 3 between Vox and the Vox shareholders. In terms of the scheme, BidCo will acquire the scheme shares from the scheme participants for the scheme consideration.

3.1 Subject to the scheme becoming unconditional:

3.1.1 scheme participants (whether they voted in favour of the scheme or not, abstained or refrained from voting) shall be deemed to have disposed of (and shall be deemed to have undertaken to transfer) all of the Vox shares held by them, to BidCo, which shall be deemed to have acquired ownership of the scheme shares, free of encumbrances, on the operative date; and

3.1.2 in consideration for each scheme share, each scheme participant will become entitled to receive, at its election:

3.1.2.1 the cash consideration; or

3.1.2.2 the consideration shares; or

3.1.2.3 a combination thereof,

provided that in the absence of an election being received by the transfer secretaries by 12:00 on the scheme consideration record date, scheme participants will be deemed to have elected to receive the cash consideration.

3.2 Save as contemplated in paragraph 9.4, the disposal and transfer by each scheme participant of the scheme shares held by the scheme participant to BidCo, and the acquisition of ownership of those scheme shares by BidCo, pursuant to the provisions of paragraph 3.1.1 of this circular; shall be effected on the operative date in accordance with the following provisions:

3.2.1 in the case of certificated shares, each certificated scheme participant shall be deemed to have transferred to BidCo on the operative date all of their certificated scheme shares, without any further act or instrument being required; and

3.2.2 in the case of dematerialised shares, each dematerialised scheme participant will have all of their dematerialised scheme shares transferred to BidCo on the operative date in accordance with the requirements of section 53 of the Companies Act and the rules of Strate.

3.3 Scheme participants will be entitled to receive the scheme consideration from BidCo only.

3.4 BidCo will deliver to Vox as principal, or to the transfer secretaries as agent for and on behalf of Vox, on the operative date, the total cash consideration to which scheme participants are entitled and Vox as principal or the transfer secretaries as agent for and on behalf of Vox, will pay or post, as the case may be, the cash consideration due to the scheme participants in accordance with paragraphs 7.1 and 7.2.

- 3.5** BidCo will issue the consideration shares to those scheme participants who have elected to receive consideration shares, on the operative date and the transfer secretaries will, as agent for Vox, via registered post, subject to paragraph 7.3, post the share certificates in respect of the consideration shares to the relevant scheme participants.
- 3.6** Each scheme participant irrevocably and *in rem suam* authorises Vox, as principal, with power of substitution, to cause the scheme shares disposed of by the scheme participants in terms of the scheme to be transferred to, and registered in the name of BidCo on or at any time after the operative date, and to do all such things and take all such steps (including the signing of any instrument of transfer) as Vox in its discretion considers necessary in order to effect that transfer and registration.
- 3.7** Vox, as principal, will procure that BidCo complies with its obligations under the scheme and Vox alone shall have the right to enforce those obligations (if necessary) against BidCo. Vox undertakes in favour of the scheme participants that it will, as principal, enforce all rights which it may have against BidCo.
- 3.8** The rights of the scheme participants to receive the scheme consideration, will be enforceable by them only against Vox and then only to the extent of requiring Vox to enforce performance by BidCo of its obligations in terms of the scheme.
- 3.9** Settlement of the scheme consideration will be implemented in full in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous rights to which BidCo or Vox may otherwise be, or claim to be, entitled against any scheme participant.
- 3.10** Subject to the fulfilment or waiver, as the case may be, of all the conditions precedent contained in paragraph 4, and save as provided in paragraph 9.4, the scheme will be implemented on the operative date.
- 3.11** The whole number of shares to which scheme participants who elect to receive the consideration shares will become entitled, in the case of fractional entitlements of 0.5 or greater be rounded up, and in the case of entitlements of less than 0.5 will be rounded down. In the case of entitlements of less than 0.5, the consideration in respect of that fraction will be settled by way of the cash consideration.

4. CONDITIONS PRECEDENT TO THE SCHEME

- 4.1** The implementation of the scheme is subject to the fulfilment or, if appropriate, waiver, of the following outstanding conditions precedent, which must be fulfilled, or where appropriate waived, on or before 11 December 2011, (being the date which is 150 days from the date of publication of the firm intention announcement (14 July 2011)), or such later date as may be agreed in writing between Vox and BidCo:
 - 4.1.1** all regulatory approvals and consents necessary in respect of the scheme being obtained, including, but not limited to approvals and consents from the JSE, the TRP, the South African competition authorities and the Financial Surveillance Department of the South African Reserve Bank;
 - 4.1.2** the special resolution to approve the scheme being proposed at the shareholders' meeting of Vox shareholders and adopted by a majority representing not less than 75% of the votes exercised by Vox shareholders present and entitled to vote, either in person or by proxy;
 - 4.1.3** the special resolution referred to in paragraph 4.1.2 not being opposed by 15% or more of the voting rights exercised on such resolution, or, should the resolution be opposed by 15% or more of the voting rights exercised on it, no person who voted against the special resolution requiring the company to seek the approval of the court in terms of section 115(3) of the Companies Act. This condition may be waived by BidCo;
 - 4.1.4** if the special resolution referred to in paragraph 4.1.2 is opposed by 15% or more of the voting rights exercised on such resolution, and a person who voted against the special resolution requires the company to seek the approval of the court in terms of section 115(3) of the Companies Act and BidCo waives the condition precedent in paragraph 4.1.3, the company does not elect to treat the special resolution as a nullity in terms of section 115(5) of the Companies Act. This condition may be waived by BidCo on condition that the court approves the special resolution in terms of section 115(3) of the Companies Act;
 - 4.1.5** no leave is granted by the court, on an application within 10 business days after the vote, to any person who voted against the special resolution and who applied to the court for a review of the scheme in terms of section 115(7) of the Companies Act. This condition may be waived by BidCo on condition that the court approves the special resolution in terms of section 115(3) of the Companies Act;

- 4.1.6** within the period prescribed under section 164(7) of the Companies Act, no valid demands having been received by Vox in terms of such section which in aggregate represent more than 5% of the Vox shares. This condition may be waived by BidCo; and
- 4.1.7** no material adverse change having occurred prior to the date on which each of the above mentioned conditions are fulfilled or, where appropriate, waived.
- 4.2** An announcement will be released on SENS and published in the South African press as soon as possible after the fulfilment, waiver or non-fulfilment, as the case may be, of the conditions precedent.
- 4.3** To the extent that any condition precedent is capable of waiver, BidCo will be entitled to waive, at its discretion, any of the conditions precedent (in whole or in part) upon written notice to the independent board prior to the date required for fulfilment of the relevant condition precedent.

5. SHAREHOLDERS' MEETING

- 5.1** The resolutions necessary to implement the scheme will be put to a vote at the shareholders' meeting to be held at the Everest Auditorium, Vox Telecom, Block B2, Rutherford Estate, 1 Scott Street, Waverley, 2090 at 10:00 on Wednesday, 12 October 2011 or on any other date to which it may be postponed or adjourned.
- 5.2** Each certificated scheme member or own name dematerialised scheme member who is registered on the voting record date for the scheme, may attend, speak and vote at the shareholders' meeting in person or be represented thereat by proxy. Forms of proxy (*blue*) must be received by the transfer secretaries by no later than 10:00 on Monday, 10 October 2011, in order to be valid.
- 5.3** Dematerialised scheme members, other than own name dematerialised scheme members, must give their instructions to their CSDP or broker by the time and in the manner prescribed in the custody agreement concluded between the relevant dematerialised scheme member and their CSDP or broker. If a dematerialised scheme member wishes to attend the shareholders' meeting in person or be represented thereat by proxy, he must arrange with his CSDP or broker to give him the necessary letter of representation to do so. Dematerialised shareholders, other than own name dematerialised shareholders, must not complete the form of proxy (*blue*).
- 5.4** If you are a scheme member who wishes to address the shareholders' meeting, then you will be given the opportunity to do so.
- 5.5** If you are a scheme member and you wish to oppose the scheme, then you may:
 - 5.5.1** vote against the scheme either in person or by proxy at the shareholders' meeting; and/or
 - 5.5.2** voice your opinion at the shareholders' meeting.
- 5.6** Shareholders are advised that no facilities for electronic participation in the shareholders' meeting will be made available.

6. SURRENDER OF DOCUMENTS OF TITLE

- 6.1** Dematerialised scheme participants need not take any action regarding the surrender of their documents of title once the scheme becomes operative as the process will be handled by their relevant CSDP or broker in terms of the custody agreement entered into between each dematerialised scheme participant and his CSDP or broker.
- 6.2** Certificated scheme participants shall, notwithstanding the transfer of ownership of their scheme shares and subject to the scheme becoming operative, only be entitled to receive the scheme consideration once they have surrendered their document(s) of title.
- 6.3** A certificated scheme participant who wishes to expedite receipt of the scheme consideration and surrender his document(s) of title in anticipation of the scheme becoming operative may complete the attached form of surrender, election and transfer (*pink*) and return it as soon as possible, together with the document(s) of title relating to his scheme shares, to be received by the transfer secretaries by no later than 12:00 on Friday, 25 November 2011. Alternatively, certificated scheme participants may wait until the scheme becomes operative, which is expected to be on Monday, 28 November 2011, and surrender their document(s) of title under cover of the completed form of surrender, election and transfer (*pink*) at that time.
- 6.4** No receipt will be issued for document(s) of title surrendered unless specifically requested. Persons requiring receipts must prepare a receipt and forward it, together with their document(s) of title, to be received by the transfer secretaries by no later than 12:00 on Friday, 25 November 2011.

- 6.5** Document(s) of title surrendered by certificated scheme participants prior to the operative date in anticipation of the scheme becoming operative will be held in escrow on behalf of such certificated scheme participants by the transfer secretaries. If the scheme does not become operative for any reason whatsoever, the transfer secretaries will, within five business days after the date upon which it becomes known that the scheme will not become operative, return the document(s) of title to the scheme participant concerned, by registered post, at the risk of such scheme participant, to the return address specified on the form of surrender, election and transfer (*pink*), or if no return address is specified on the form of surrender, election and transfer (*pink*), to the address recorded in the register.
- 6.6** If document(s) of title relating to any scheme shares to be surrendered are lost or destroyed, certificated scheme participants should nevertheless return the form of surrender, election and transfer (*pink*) duly signed and completed, together with an indemnity form, which is obtainable from the transfer secretaries.
- 6.7** Vox may dispense with the surrender of such document(s) of title upon production of evidence satisfactory to Vox that the document(s) of title to the scheme shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to them. Indemnity forms are obtainable from the transfer secretaries.
- 6.8** The attention of certificated shareholders is drawn to the fact that, if they surrender their document(s) of title in advance, they will be unable to dematerialise and/or trade in their scheme shares on the JSE from the date of surrender. However, their right to attend and vote at the scheme meeting will not be affected.

7. SETTLEMENT OF THE SCHEME CONSIDERATION

- 7.1** The cash consideration due to dematerialised scheme participants (and dissenting shareholders who become scheme participants pursuant to paragraph 9.4 on or before the scheme consideration record date) who elected to receive the cash consideration or who are deemed to have elected to receive the cash consideration, will not be posted to the relevant dematerialised scheme participants but will be delivered to the dematerialised scheme participants within five business days of the operative date, by Vox procuring that the appropriate entries are made in the scheme participants' accounts with their CSDP or broker by crediting them with the cash consideration due to them, on the operative date in accordance with the provisions of the custody agreement entered into between the dematerialised scheme participants and their CSDP or broker.
- 7.2** The cash consideration due to certificated scheme participants (and dissenting shareholders who become scheme participants pursuant to paragraph 9.4 on or before the scheme consideration record date) who elect to receive the cash consideration or who are deemed to have elected to receive the cash consideration, and who have surrendered their document(s) of title will either be electronically transferred directly into a certificated scheme participant's bank account if details of such account are available to the transfer secretaries and the certificated scheme participant concerned has entered into a mandate with the transfer secretaries, or will be posted, by ordinary post, to the relevant certificated scheme participants, at such scheme participants' risk, by the transfer secretaries on behalf of Vox, within five business days of:
 - 7.2.1** the operative date, if the form of surrender, election and transfer (*pink*) together with the relevant document(s) of title (in negotiable form) are properly surrendered to the transfer secretaries by the scheme consideration record date; or
 - 7.2.2** receipt by the transfer secretaries of the form of surrender, election and transfer (*pink*) together with the relevant document(s) of title (in negotiable form), if the form of surrender, election and transfer (*pink*) together with the relevant document(s) of title (in negotiable form) are surrendered to the transfer secretaries after the scheme consideration record date.
- 7.3** The share certificates in respect of the consideration shares due to both dematerialised scheme participants (who have surrendered their document(s) of title) and certificated scheme participants who elect to receive the consideration shares will be posted, by registered post, to the relevant scheme participants, or in the case of emigrant shareholders to their authorised dealer controlling their blocked assets, at such scheme participants' risk, by the transfer secretaries, within five business days of:
 - 7.3.1** the operative date, if the form of surrender, election and transfer (*pink*) and form of application for subscription (*yellow*), if applicable, together with the relevant document(s) of title (in negotiable form) are properly surrendered to the transfer secretaries by 12:00 the scheme consideration record date; or

- 7.3.2** receipt by the transfer secretaries of the form of surrender and transfer (*pink*) and form of application for subscription (*yellow*), if applicable, together with the relevant document(s) of title (in negotiable form), if the form of surrender, election and transfer (*pink*) together with the relevant document(s) of title (in negotiable form) are surrendered to the transfer secretaries after the scheme consideration record date.
- 7.4** Where, on or subsequent to the operative date, a person, who was not a registered holder of scheme shares on the scheme consideration record date, tenders to the transfer secretaries document(s) of title together with a duly stamped form of surrender, election and transfer (*pink*), purporting to have been executed by or on behalf of the registered holder of such scheme shares and, provided that the cash consideration shall not already have been posted or delivered to the registered holder of the relevant scheme shares, then such transfer may be accepted by Vox as if it were a valid transfer to such person of the scheme shares concerned, provided that BidCo and Vox have been, if so required by either or both of them, provided with an indemnity on terms acceptable to them in respect of such cash consideration.
- 7.5** If the cash consideration is not paid or posted to certificated scheme participants or dissenting shareholders who subsequently become scheme participants pursuant to paragraph 9.4, entitled thereto because the relevant document(s) of title have not been properly surrendered or, if the cash consideration is returned undelivered to the transfer secretaries, the cash consideration will be held in escrow in a bank account by Vox or the transfer secretaries, on behalf of Vox, until claimed. No interest will accrue or will be paid to a scheme participant on the cash consideration so held in escrow.
- 7.6** The scheme consideration will be paid to scheme participants or dissenting shareholders who subsequently become scheme participants pursuant to paragraph 9.4, in full in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Vox, the consortium or BidCo may otherwise be, or claim to be entitled.
- 7.7** If the information regarding authorised dealers is not given or written instructions to the contrary are provided but no address is given, as required in terms of paragraphs 11.2.1 and 11.3.1 below, the scheme consideration will be held in trust by Vox or the transfer secretaries on behalf of Vox for the scheme participants concerned, pending receipt of the necessary information or instructions. No interest will be paid on the cash consideration so held.

8. EFFECTS OF THE SCHEME

- 8.1** If all of the conditions precedent are fulfilled or waived, as the case may be, and the scheme becomes operative:
- 8.1.1** scheme participants shall, with effect from the operative date, be deemed to have disposed of their scheme shares to BidCo, which will be deemed to have acquired registered and beneficial ownership of the scheme shares in exchange for payment of the scheme consideration, and scheme participants shall no longer be Vox shareholders;
- 8.1.2** scheme participants shall be deemed to have irrevocably authorised and instructed Vox to cause the scheme shares to be transferred and registered in the name of BidCo on or at any time after the operative date and to take all such steps and sign all such documents as may be necessary to procure such transfer and registration; and
- 8.1.3** scheme participants shall be deemed to have instructed Vox as principal, but with the power to appoint agents, to procure that the scheme consideration is paid to the scheme participants in accordance with the provisions of the scheme.
- 8.2** The effect of the scheme will be that BidCo will, with effect from the operative date, become the registered and beneficial owner of all the scheme shares.

9. DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

Shareholders are hereby advised of their appraisal rights in terms of section 164 of the Act.

- 9.1** Shareholders who wish to exercise their rights in terms of the aforementioned section of the Act are required, before the resolution to approve the scheme is voted on at the shareholders' meeting, to give notice to the company in writing objecting to the resolution.
- 9.2** If the resolution approving the scheme is adopted by the company, the company is required, within 10 business days after the company adopts the resolution, to send a notice to shareholders who gave written notice to the company objecting to the resolution and did not withdraw such written notice or vote in support of the resolution, notifying them that the resolution has been adopted.

- 9.3** Shareholders who gave written notice to the company in terms of section 164(3) of the Act (and have not withdrawn that notice), who voted against the resolution approving the scheme and who have complied with all the procedural requirements set out in section 164 may, within 20 business days of receiving notice from the company in terms of section 164(4) of the Act, demand that the company pay them fair value for all of the Vox shares held by that shareholder.

Shareholders who wish to obtain further information as to their appraisal rights are referred to Annexure 6 of this circular which contains a full extract of section 164 of the Act.

- 9.4** In the event that any of the circumstances contemplated in section 164(9) occur, then a dissenting shareholder shall:
- 9.4.1** if such event takes place on or before the scheme consideration record date in respect of the scheme, be deemed to be a scheme participant and be subject to the provisions of the scheme; and
 - 9.4.2** if such event takes place after the scheme consideration record date in respect of the scheme, be deemed to have been a scheme participant as at the operative date and be deemed to have elected to receive the cash consideration, provided that settlement of the cash consideration and transfer of that dissenting shareholder's Vox shares to BidCo shall take place on the later of: (i) the operative date; (ii) the date which is five business days after that dissenting shareholder so withdrew its demand or allowed the company's offer to lapse, as the case may be and (iii) if that dissenting shareholder is a certificated shareholder, the date which is five business days after that dissenting shareholder surrendered its documents of title and completed form of surrender, election and transfer (*pink*) to the transfer secretaries.

10. SPECIAL ARRANGEMENTS

10.1 Parties in concert

Investec, Lereko Metier, Paul Botha and the Botha Family Trust are acting in concert with BidCo.

10.2 The Preference Share, Super Outcome and Staff Bonus Schemes

- 10.2.1** In order to retain certain skills that are considered to be instrumental to the continuing success of Vox after implementation of the scheme, Vox and BidCo have in principle agreed to adopt two executive management participation schemes in respect of key employees of Vox, namely a participating preference share scheme (the "**Pref Scheme**") and a cash bonus scheme (the "**Super Outcome Scheme**").
- 10.2.2** In addition, in order to reward employees of Vox other than members of its executive or management team by enabling them to benefit from the economic growth of Vox, Vox and BidCo have in principle agreed to adopt a comprehensive staff bonus scheme (the "**Staff Bonus Scheme**").
- 10.2.3** Vox and BidCo are in the process of determining the terms of the proposed Pref Scheme, Super Outcome Scheme and Staff Bonus Scheme (collectively, the "**Schemes**"). Once the terms of the Schemes have been determined, they will be submitted to BidCo's shareholders for approval. The Schemes will only be implemented if the scheme becomes operative.
- 10.2.4** The indicative terms of the proposed Schemes are the following (and "**Employee**" when used below will refer only to an employee who participates in the relevant Scheme, in terms of its rules, and not to every employee of Vox):
- 10.2.5 The Pref Scheme**
- 10.2.5.1** each Employee in the Pref Scheme will obtain the right to acquire certain BidCo shares ("**Direct Shares**") and will forfeit any share appreciation rights previously allocated;
 - 10.2.5.2** BidCo will issue a participating preference share to each Employee;
 - 10.2.5.3** each preference share will be notionally linked to a number of BidCo shares (the "**Reference Shares**") equal to nine times the applicable Employee's Direct Shares;
 - 10.2.5.4** for the purposes of the employee share scheme, the notional value of the Reference Shares will be equal to nine times the acquisition price which the applicable Employee pays for his Direct Shares, and that notional value will be (i) escalated over the life of the Pref Scheme

(which will be five years or the date on which BidCo exits its investment in Vox, whichever is earlier) at a rate equal to the prime rate plus 5%, and (ii) adjusted by deducting the proportional dividends which the Employee would have received over the term of the Pref Scheme (also escalated at a rate equal to prime plus 5%) had he held the Reference Shares in order to yield the adjusted value of the Reference Shares;

- 10.2.5.5** after five years, or the date on which BidCo exits its investment in Vox, whichever is the earlier ("**Valuation Date**") (i) the value of the Reference Shares will be determined with reference to either a valuation or a share trading price or the price at which BidCo exited, and (ii) the excess (the "**Net Amount**") of that value over the adjusted value of the Reference Shares will be determined;
- 10.2.5.6** the Employee will be required to elect whether to receive his Net Amount in dividends or in capitalisation shares ("**Cap Shares**");
- 10.2.5.7** the Employee's preference shares will entitle him to 100% of his Net Amount to be received in three tranches as follows:
 - 10.2.5.7.1* the Employee's preference shares will entitle him to 50% of his Net Amount after the Valuation Date (i.e. once his Net Amount has been determined);
 - 10.2.5.7.2* if any Employee remains in the employment of Vox on the date (i) one year after the Valuation Date, his preference share will entitle him to a further amount equal to 25% of his Net Amount (escalated by either an amount equal to the interest which accrues on the balance of the Net Amount from time to time, or by an amount equal to the dividends which would have been received by the Employee had all, and not only some, of his Cap Shares been issued on the Valuation Date) in dividends or in Cap Shares, and (ii) after two years from the Valuation Date, his preference shares will entitle him to a further amount equal to 25% of his Net Amount, as per (i); and
- 10.2.5.8** no holder of a preference share will be entitled to vote except if circumstances arise in which, in terms of the Companies Act, preference shares must have the right to vote, in which case each holder of a preference share shall be entitled to one vote.

10.2.6 The Super Outcome Scheme

- 10.2.6.1** five years after the date on which the Super Outcome Scheme commences, or earlier, if BidCo exits its investment in Vox prior to the expiry of such five year period ("**SO Valuation Date**") a cash bonus pool amount will be determined (the "**Distributable Amount**");
 - 10.2.6.2** the Distributable Amount will be equal to 15% of the amount by which the market value of Vox, as determined with reference to either a valuation or a share trading price or the price at which Bidco has exited, exceeds the aggregate of a specified required rate of return and payments made under the Staff Bonus Scheme;
 - 10.2.6.3** each Employee in the Super Outcome Scheme will obtain the right to be paid, as a cash bonus, an amount (the Employee's "**Bonus Amount**") determined by multiplying that Employee's total percentage participation in the Super Outcome Scheme, as determined by the board over the period leading up to the SO Valuation Date, by the Distributable Amount; and
 - 10.2.6.4** 50% of an Employee's Bonus Amount will be paid on the SO Valuation Date (i.e. once the Distributable Amount has been determined), with 25% of the remaining amount then being paid one year later and the last 25% a year after that (and on the same dates as the payments of dividends, or the issuing of Cap Shares, are to be made under the Pref Scheme).
- 10.2.7** On 11 July 2011, the following directors of Vox received letters from the consortium and BidCo setting out the indicative terms of the proposed Pref Scheme and Super Outcome Scheme, and indicated their agreement with the terms and conditions set out in the letter by counter-signing it: D G Reed and G J Koen.

10.2.8 The Staff Bonus Scheme

- 10.2.8.1** the board will be entitled (but not obliged) to invite any person who is employed by Vox other than as a member of its executive or management pool to participate in the Staff Bonus Scheme;
 - 10.2.8.2** five years after the date on which the Staff Bonus Scheme commences, or earlier, if BidCo exits its investment in Vox prior to expiry of such five year period ("**SS Valuation Date**") a cash bonus pool amount will be determined (the "**Bonus Pool Amount**");
 - 10.2.8.3** the Bonus Pool Amount will be equal to the lower of (i) R20 000 000 and (ii) the amount, if any, by which the market value of Vox, as determined with reference to either a valuation or a share trading price or the price at which BidCo exited, exceeds a specified required rate of return;
 - 10.2.8.4** each Employee in the Staff Bonus Scheme will obtain the right to be paid, as a cash bonus, an amount (the Employee's "**Bonus Amount**") determined by multiplying that Employee's individual percentage participation in the Staff Bonus Scheme, as determined by the board in its discretion (but taking into account the individual performance of each Employee participating in the Staff Bonus Scheme, the duration of their employment with Vox and their level of seniority), by the Bonus Pool Amount; and
 - 10.2.8.5** 100% of an Employee's Bonus Amount will be paid after the SS Valuation Date (i.e. once the Bonus Pool Amount has been determined);
- 10.2.9** The Schemes will contain provisions which will regulate the position of an Employee who leaves Vox's employment prior to the dates on which he will become entitled to dividends or Cap Shares in respect of the Pref Scheme or the cash payments in respect of the Super Outcome Scheme and Staff Bonus Scheme.

10.3 Consortium arrangements with respect to BidCo

Prior to the implementation of the scheme, the consortium members, Lereko Metier and Investec, will be the only shareholders in BidCo, each owning 1 ordinary no par value share in the issued ordinary share capital of BidCo. Lereko Metier and Investec, as the beneficial owners of 275 396 137 and 166 702 643 Vox shares respectively, have irrevocably undertaken as scheme participants, to elect to receive the consideration shares in respect of their entire shareholding in Vox at the scheme consideration record date. Lereko Metier will be allotted and issued 27 539 614 consideration shares and Investec will be allotted and issued 16 670 264 consideration shares, as a result of their election to invest in BidCo in terms of the scheme on a ratio of one BidCo share for every 10 Vox shares. Investec will subscribe for and there will be allotted and issued to Investec BidCo shares until such time as the aggregate number of BidCo shares issued to it is equal to 27 539 614 and Investec shall pay the sum of R4.50 for each BidCo share issued to it.

Once the number of consideration shares held by Lereko Metier and BidCo shares held by Investec is equalised in accordance with the above, additional BidCo shares will be issued at a price of R4.50 per BidCo share to each of Lereko Metier and Investec on a "one for one" basis so that at all times the number of BidCo shares held by each of them will be equal and this process will be followed until such time as all the requisite BidCo shares have been issued so as to ensure that the full amount necessary for BidCo to meet its cash related obligations under the scheme is received through this subscription process.

10.4 Arrangements with respect to BidCo

In terms of the memorandum of incorporation of BidCo:

- 10.4.1** a shareholder of BidCo who holds at least 10% of the entire issued share capital of BidCo ("**Key Shareholder**") will not be entitled to dispose of its BidCo shares unless it has first offered its BidCo shares for sale in terms of clause 11 (Rights of Pre-emption) of the memorandum of incorporation of BidCo. An extract of such clause is contained in Annexure 8 hereto; and
- 10.4.2** BidCo may not engage in, agree to, perform or undertake any Specially Protected Matter (as referred to in clause 34 of the memorandum of incorporation of BidCo) unless shareholders holding at least 80% of the voting rights have agreed thereto in writing. An extract of such clause and the Specially Protected Matters is contained in Annexure 9 hereto.

10.5 Consortium arrangements with respect to Vox

- 10.5.1** Vox has, in terms of the exclusivity undertaking, agreed that it will not (and will procure that certain other related persons will not) directly or indirectly:
- 10.5.1.1** solicit or initiate any expression of interest, enquiry, proposal or offer regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of all or substantially all of Vox's assets, recapitalisation, reorganisation, liquidation, material sale or issue of treasury securities or rights or interests therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction, or series of transactions, which is likely to constitute a change of control in Vox (as defined in the Companies Act) or could reasonably be considered to be likely to preclude the scheme or its implementation (each an "**Alternative Proposal**");
 - 10.5.1.2** participate in any negotiations with a third party regarding the implementation of any Alternative Proposal unless it constitutes a Superior Proposal (as defined below), it being agreed that any discussions (which do not constitute negotiations) with a third party in relation to any Alternative Proposal will be limited to those required to determine whether the Alternative Proposal is a Superior Proposal and to those which the independent board is required to enter into in order to discharge its lawful obligations;
 - 10.5.1.3** agree to, approve or recommend an Alternative Proposal (unless it constitutes a Superior Proposal); or
 - 10.5.1.4** enter into any agreement related to an Alternative Proposal (unless it constitutes a Superior Proposal).
- 10.5.2** Notwithstanding the above, nothing shall prevent Vox and/or the independent board from furnishing non-public information to, or entering into a confidentiality agreement and/or discussions with, any person in response to a bona fide Alternative Proposal that is submitted by such person after 26 June 2011 which is not withdrawn, provided:
- 10.5.2.1** the independent board concludes that such action is required in order for them to comply with their fiduciary obligations under applicable law, including without limitation their obligations under the Companies Act and/or any regulations promulgated thereunder;
 - 10.5.2.2** Vox informs BidCo in the event that it receives an Alternative Proposal, such information to be conveyed to BidCo by no later than 48 (forty eight) hours after receipt by Vox of the Alternative Proposal; and
 - 10.5.2.3** in the event that Vox provides such non-public information to such person, Vox provides BidCo with copies of all such due diligence materials exchanged between such person and Vox, to the extent not already provided to BidCo.
- 10.5.3** "**Superior Proposal**" means a *bona fide* Alternative Proposal received by Vox which the independent board determines would, if consummated in accordance with its terms, result in a transaction more favourable to Vox shareholders than the scheme, taking into account, *inter alia*, the likelihood of such transaction being completed within a reasonable period of time and the financing risks relating thereto.
- 10.5.4** Vox has agreed that should it receive an Alternative Proposal which the independent board determines is a Superior Proposal, it shall give BidCo written notice of such determination within 48 hours of the determination being made.

11. FOREIGN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

- 11.1** The following is a summary of the Exchange Control Regulations as they apply to scheme participants. Scheme participants who are not resident in, or who have a registered address outside, South Africa must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the scheme consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such territory. If in doubt, scheme participants should consult their professional advisors without delay.

11.2 Residents of the common monetary area:

In the case of:

- 11.2.1** certificated scheme participants whose registered addresses in the register are within the common monetary area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the scheme consideration will be posted or electronically transferred to such scheme participants, in accordance with paragraph 7.2 and 7.3.
- 11.2.2** dematerialised scheme participants whose registered addresses in the register are within the common monetary area and have not been restrictively designated in terms of the Exchange Control Regulations, the scheme consideration will, in the case of the consideration shares, be posted or, in the case of the cash consideration, will be credited directly to the accounts nominated for the relevant scheme participants by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker or posted to them in the case of the consideration shares.

11.3 Emigrants from the common monetary area

In the case of scheme participants who are emigrants from the common monetary area and whose scheme shares form part of their blocked assets, the scheme consideration will:

- 11.3.1** in the case of certificated scheme participants whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling such scheme participants' blocked assets in terms of the Exchange Control Regulations. The attached form of surrender, election and transfer (*pink*) makes provision for details of the authorised dealer concerned to be given; or
- 11.3.2** in the case of dematerialised scheme participants, the scheme consideration will, in the case of the consideration shares, be posted or, in the case of the cash consideration, paid to their CSDP or broker, which shall arrange for the same to be credited directly to the blocked Rand bank account of the scheme participants concerned with their authorised dealer in foreign exchange in South Africa.
- 11.3.3** Consideration shares issued to emigrants will be endorsed "non-resident" by such shareholder's authorised dealer controlling their blocked assets.

11.4 All other non-residents of the common monetary area

The scheme consideration accruing to non-resident scheme participants whose registered addresses are outside the common monetary area and who are not emigrants from the common monetary area will:

- 11.4.1** in the case of certificated scheme participants, whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, be posted to their registered address, unless written instructions to the contrary are received and an alternative address is provided. The attached form of surrender, election and transfer (*pink*) makes provision for a substitute address or bank details; or
- 11.4.2** in the case of dematerialised scheme participants, be posted in the case of the consideration shares and, in the case of the cash consideration, paid to their duly appointed CSDP or broker and credited to such scheme participants in terms of the provisions of the custody agreement with their CSDP or broker.

11.5 Information not provided

If the information regarding authorised dealers is not given or written instructions to the contrary are provided but no address is given, as required in terms of paragraphs 11.2.1 and 11.3.1, the scheme consideration will be held in trust by Vox or the transfer secretaries on behalf of Vox for the scheme participants concerned, pending receipt of the necessary information or instructions. No interest will be paid on the scheme consideration so held.

12. TAX IMPLICATIONS FOR SOUTH AFRICAN SCHEME PARTICIPANTS

The following paragraphs contain a general summary of the income tax and CGT implications of the scheme for scheme participants. The analysis is not comprehensive or determinative. Scheme participants should seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position. They should also confirm how the general comments below apply in their specific personal circumstance and, in particular, ascertain whether there are any additional or exceptional tax consequences which could apply to them.

Scheme participants whose Vox shares are held in a trust should seek advice from appropriate professional advisors, as the trust holding may have an impact on the amount of tax that may become payable. The analyses set out below should therefore not be regarded as tax advice given by Vox or BidCo (or their tax or other advisors) to any particular scheme participant.

A scheme participant who is not a South African resident for tax purposes will, under certain circumstances, not be liable for the taxes set out below. Scheme participants who think that they may qualify as non-residents should consult with appropriate professional advisors to ascertain whether they are non-residents for tax purposes and whether and on what basis they will be liable for tax.

12.1 If the scheme participant holds the Vox shares as an investment:

- 12.1.1** the transfer of the scheme shares to BidCo will be a disposal by the scheme participant for CGT purposes;
 - 12.1.2** a scheme participant will therefore realise a capital gain or loss, being the difference between the base cost for the scheme shares and the proceeds received by or accrued to the scheme participant resulting from the scheme. The scheme participant can elect to either receive the cash consideration or the consideration shares which will constitute his proceeds for the purposes of the Eighth Schedule to the Income Tax Act, as amended ("**the CGT legislation**");
 - 12.1.3** the base cost as well as the scheme consideration (proceeds) must be determined in accordance with the CGT legislation. For the calculation of the base cost of the scheme shares, different rules apply to scheme shares acquired prior to and after 1 October 2001. The applicable rules will depend on the personal circumstances of the scheme participant; and
 - 12.1.4** in terms of the CGT legislation an individual's total gains (or losses) are reduced by R20 000 (2011/2012 tax year) per year. Broadly, this means that a scheme participant will not pay CGT on the first R20 000 of capital gain per year (including any gain from the present acquisition). However, the CGT calculation may not be this simple if the scheme participant made other CGT gains and losses during the tax year or if he has a CGT loss which may be carried forward from a previous tax year.
- 12.2** If the scheme participant does not hold the scheme shares as an investment, but as a share dealer or as part of a profit-making arrangement, the taxable profit will be subject to income tax and not CGT in the hands of the scheme participant.

13. FINANCIAL INFORMATION RELATING TO VOX

- 13.1** Historical financial information relating to Vox is contained in Annexure 1 to this document.
- 13.2** The price history of Vox shares on the JSE is set out in Annexure 3 to this document.
- 13.3** The board is not aware of any material changes in the financial or trading position of Vox subsequent to the latest published audited results for the year ended 31 August 2010 and reviewed results for the six months ended 28 February 2011.

14. FINANCIAL INFORMATION RELATING TO BIDCO

- 14.1** BidCo is a shelf company and has not traded prior to the date of this circular. BidCo therefore has no assets. The only liabilities of BidCo would be the costs of the scheme upon implementation of the scheme as described in paragraph 1 above.
- 14.2** *Pro forma* financial effects on the earnings and net asset value pertaining to the consideration shares:

The unaudited *pro forma* financial effects of the consideration shares, for which the directors of Vox and BidCo are responsible, are provided for illustrative purposes only to provide information about how the scheme will affect the financial position of the Vox shareholders who elect to receive the consideration shares and the effect thereof on the earnings per share ("**EPS**"), diluted earnings per share ("**DEPS**"), headline earnings per share ("**HEPS**") and diluted headline earnings per share ("**DHEPS**") of Vox compared to BidCo as if the scheme had become operative on 1 September 2010, and, for the purpose of net asset value per share ("**NAVPS**") and net tangible asset value per share ("**NTAVPS**") of Vox as compared to BidCo as if the scheme had become operative on 28 February 2011. Because of their nature, the unaudited *pro forma* financial effects may not give a fair presentation of BidCo's financial position and performance. The unaudited *pro forma* financial effects have been compiled from the reviewed consolidated financial statements of Vox for the six months

ended 28 February 2011 and are presented in a manner consistent with the format and accounting policies adopted by Vox and have been adjusted as described in the notes set out below. The reporting accountants' report on the *pro forma* financial effects is set out in Annexure 5:

	Before the scheme (Note 1)	After the Scheme (Notes 2 – 5)	Percentage Change
EPS (cents)	2.16	(0.15)	(107)
DEPS (cents)	2.16	(0.15)	(107)
HEPS (cents)	2.14	(0.17)	(108)
DHEPS (cents)	2.14	(0.17)	(108)
NAVPS (cents)	46.71	44.93	(4)
NTAVPS (cents)	9.08	7.30	(20)
Weighted average number of shares in issue ('000)	1 108 501	1 108 501	–
Diluted weighted average number of shares in issue ('000)	1 108 501	1 108 501	–

Notes:

- The financial information in the "Before the scheme" column has been based on the financial effects of the reviewed consolidated financial statements of Vox for the six months ended 28 February 2011.
- The EPS, DEPS, HEPS and DHEPS included in the "After the scheme" column have been prepared by including the earnings effects of the scheme to the reviewed consolidated financial statements of Vox for the six months ended 28 February 2011, as if the scheme had become operative on 1 September 2010.
- The NAVPS and NTAVPS included in the "After the scheme" column have been prepared by including the statement of financial position effects of the scheme to the reviewed consolidated financial statements of Vox for the six months ended 28 February 2011, as if the scheme had become operative on 28 February 2011.
- The EPS, DEPS, HEPS and DHEPS included in the "After the scheme" column have been adjusted for the following:
 - to include the additional charge in terms of IFRS 2: Share-based Payments, amounting to R4.3 million, incurred as a result of the accelerated vesting cancellation of management's Share Appreciation Rights ("SARS"), totalling 15,8 million SARS;
 - to include the additional charge in terms of IFRS 2: Share-based Payments amounting to R1.5 million for the six months (R15.1 million amortised over 5 years), incurred as a result of the new management incentive scheme whereby preference shares will be issued to management, linked to a notional loan accruing interest at prime + 5% and sharing equally in dividends of BidCo;
 - to include the once-off transaction costs amounting to R19.7 million; and
 - no dilutive impact by the SARS scheme for dilutive earnings per share or dilutive headline earnings per share calculation as these SAR's have a strike price of 54 cents per share and are currently out of the money.
- The NAVPS and NTAVPS included in the "After the scheme" column have been adjusted to include the once-off transaction costs amounting to R19.7 million.
- The additional charge in terms of IFRS 2: Share-based Payments, amounting to R4.3 million, incurred as a result of the accelerated vesting cancellation of management's SARS, totalling 15,8 million SARS as well as the additional charge of R1.5 million as a result of the new management incentive scheme whereby preference shares will be issued to management, linked to a notional loan accruing interest at prime + 5% and sharing equally in dividends of BidCo does not have an impact on the NAVPS and NTAVPS included in the "After the scheme" column.
- For ease of comparability, the *pro forma* calculations do not take into account the new capital structure proposed by BidCo, which will consist of one BidCo share for every 10 Vox shares in issue.

The *pro forma* statement of financial position and the *pro forma* statement of comprehensive income are set out in Annexure 4 and the reporting accountants' report thereon is set out in Annexure 5.

15. DIRECTORS OF VOX

15.1 Executive Directors

Douglas Graham Reed (52)

Business address: Block D, Rutherford Estate, 1 Scott Street, Waverley, 2090
 Appointed: 27 September 2004
 Position: Chief Executive Officer

Gerhardus Johannes Koen (32)

Business address: Block D, Rutherford Estate, 1 Scott Street, Waverley, 2090
 Appointed: 1 April 2010
 Qualifications: Bachelors of Accounting (Hons), CA(SA)
 Position: Chief Financial Officer

15.2 Non-executive Directors

Wilson Vulindlela Cuba (56)

Business address: NGN House, 15E Riley Road, Riley Road Office Park, Bedfordview, 2007
Appointed: 5 August 2009
Qualifications: Bachelors of Social Science (Information Systems), Bachelors of Social Science (Land Surveying), MBA
Position: Independent non-executive chairman

Douglas Wallace (64)

Business address: 4 Toleni Road, Kenilworth, Cape Town, 7708
Appointed: 5 August 2009
Qualifications: CA(SA)
Position: Independent non-executive director

Raymond Thierry Dalais (52)

Business address: 2nd Floor, 5 Commerce Square, 39 Rivonia Road, Sandton
Appointed: 13 February 2007
Qualifications: CA (SA)
Position: Non-executive director

Pierre George Joubert (45)

Business address: 1 Merchant Place, Cnr. Fredman Drive and Rivonia Road, Sandton
Appointed: 27 October 2008
Qualifications: Bachelors of Commerce, CA(SA)
Position: Non-executive director

Andreas Dalein van Zyl (36) – alternate director

Business address: 2nd Floor, 5 Commerce Square, 39 Rivonia Road, Sandton
Appointed: 28 January 2010
Qualifications: Bachelors of Engineering (Mechanical), MBA
Position: Alternate director

A D van Zyl is the alternate director to R T Dalais

All of the executive and non-executive directors of Vox are South African.

16. INTERESTS OF VOX AND ITS DIRECTORS

16.1 As at the date of this document, Vox holds no BidCo shares.

16.2 Disclosure of Vox directors' interests and dealings

16.2.1 As at the last practicable date, the directors of Vox had no beneficial direct or indirect interests in Vox shares. (*R T Dalais and A D van Zyl are the representative directors of Lereko Metier holding 275 396 137 shares.*)

16.2.2 As at the last practicable date, the directors of Vox held the share appreciation rights, in terms of the Employee Scheme, listed in the table below. All of these rights were allocated at a price per share higher than the scheme consideration and accordingly no compensation will be paid, or Vox shares allotted, in respect of such share appreciation rights as a consequence of the scheme.

Director	Relevant date	Subscription price (R)	Market share price (R)	Number of shares	Expiry date
D G Reed	31 August 2009	0.54	0.36	8 000 000	31 August 2015
G J Koen	31 August 2009	0.54	0.36	666 894	31 August 2015

16.2.3 Save as disclosed in paragraphs 16.2.1 and 16.2.2 above, the directors of Vox do not have any other interests in Vox shares.

16.3 Directors' remuneration and service contracts

The tables below detail the Vox directors' remuneration for the 12 months ended 31 August 2010.

16.3.1 Details of the remuneration of the executive directors of Vox are summarised below:

Executive directors	Salary and allowance R'000	Bonuses and performance related payments R'000	Other benefits R'000	Retirement and related benefits R'000	Total R'000
D G Reed	2 298	1 110	152	–	3 560
G J Koen*	418	–	5	27	450
Total	2 716	1 110	157	27	4 010

* Appointed as a director 1 April 2010

16.3.2 Details of the remuneration of the non-executive directors of Vox are summarised below:

Non-executive Directors	Services as directors of Vox R'000
V W Cuba (<i>Chairman</i>)	195
D Wallace	205
R T Dalais	–
P Joubert	–
A D van Zyl	–
Total	400

In terms of the Vox memorandum of incorporation, one third of Vox directors, being the longest serving directors, retire from office by rotation at every Vox annual general meeting, the Vox directors so retiring being the longest serving in office since their last election. Vox directors so retiring are eligible for re-election as per the Vox memorandum of incorporation.

16.3.3 There will be no change in the remuneration of directors of Vox as a consequence of the scheme. It is anticipated that the board will be further restructured upon implementation and as a consequence of the scheme.

16.3.4 No trades in Vox shares were entered into by directors of Vox during the six months preceding 13 September 2010, being the date on which the first cautionary announcement was issued by Vox relating to the scheme and the period up to the last practicable date:

16.3.4.1 The directors of Vox had no direct, indirect, beneficial or non-beneficial interests in BidCo as at the last practicable date.

16.3.4.2 The remuneration of the directors of the company will not be affected by the scheme or by any associated transaction.

16.4 Details of the service contracts of the Vox directors:

There are no formal service contracts in place for any of the Vox directors.

16.5 Directors' interests in the scheme

16.5.1 Employee Scheme

In terms of the Employee Scheme, Vox has to date allocated 31,362,730 share appreciation rights to executive directors and senior employees of Vox ("**participants**"). The grant price in respect of these share appreciation rights was 54 cents per Vox share. All of these rights were allocated at a price per share higher than the scheme consideration and accordingly no compensation will be paid, or Vox shares allotted, in respect of such share appreciation rights as a consequence of the scheme.

16.5.2 Other

Save for the management participation scheme as per paragraph 10.2, no directors of Vox will benefit, directly or indirectly, in any manner as a consequence of the implementation of the scheme.

16.6 Directors' interests in other transactions

The directors of Vox have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by Vox during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

17. INTERESTS OF THE CONSORTIUM, BIDCO AND ITS DIRECTORS

- 17.1** As at the last practicable date, BidCo does not hold or control any Vox shares or any options to acquire any Vox shares. Lereko Metier's and Investec's shareholding is detailed in paragraph 23.
- 17.2** The dealings in Vox shares by BidCo or the members of the consortium during the six months prior to the last practicable date are fully set out in Annexure 7.
- 17.3** Paul Botha, a director of BidCo, currently holds 250 000 Vox shares and the trustees for the time being of the Botha Family Trust, Master's reference number IT 55/1994 currently holds 220 000 Vox shares.
- 17.4** There were no dealings in Vox shares by the directors of BidCo during the six months preceding 13 September 2010, being the date on which the first cautionary announcement was issued by Vox relating to the scheme and the period up to the last practicable date. There were no dealings in Vox shares by the consortium during the six months preceding 13 September 2010.
- 17.5** Lereko Metier and Investec will, in respect of their entire shareholding in Vox, elect to receive consideration shares.

18. SHARE CAPITAL OF VOX

- 18.1** The authorised and issued share capital of Vox before the scheme is as follows:

	R
<i>Authorised share capital</i>	
2 000 000 000 ordinary shares of 0.1 cent each	2 000
<i>Issued share capital</i>	
1 108 500 669 ordinary shares of 0.1 cent each	1 109
Share premium on 1 108 500 669 ordinary shares	1 018 876
Total issued share capital before scheme	1 019 985

All Vox shares are listed on the Alternative Exchange of the JSE.

19. SHARE CAPITAL OF BIDCO

- 19.1** The authorised and issued share capital of BidCo before the scheme is as follows:

	R
<i>Authorised share capital</i>	
150 000 000 ordinary shares of no par value	n/a
1 deferred ordinary share of R1.00	1
<i>Issued share capital</i>	
2 ordinary shares of no par value	2
1 deferred ordinary share of R1.00	1
Total issued share capital before scheme	3

The deferred share which is held by Investec, will entitle the holder to the following:

- upon the liquidation of the company, to a return of R1.00 in respect of the par value of that share, prior to the payment of any amount in respect of the ordinary shares, provided that such share shall have no further right to participate in the profits or assets of the company; and
- an irrevocable right to vote on any proposal to amend the preferences, rights, limitations and terms associated with the deferred share (as contemplated in section 37(3)(a)).

20. SUSPENSION AND TERMINATION OF LISTING

Subject to the scheme becoming unconditional in accordance with its terms, the JSE has granted approvals for the suspension of the listing of the Vox shares with effect from the commencement of trading on the JSE on Monday, 21 November 2011 and the termination of the listing of the Vox shares from the commencement of trading on Tuesday, 29 November 2011.

21. OTHER INFORMATION WITH RESPECT TO THE SCHEME

- 21.1** In terms of section 115(4) of the Act, the voting rights of Lereko Metier, Investec, Paul Botha and the Botha Family Trust and their concert parties, will not be taken into account in calculating the percentage of voting rights to determine whether the applicable quorum of shareholders is present and will not be taken into account in calculating the percentage of voting rights required to approve the scheme resolution.
- 21.2** Subject to the prior written consent of BidCo, and subject to the prior approval of the TRP, the independent board and the scheme participants may consent before or at the shareholders' meeting, to any amendment, variation or modification of the scheme.
- 21.3** A certificate signed by a duly authorised director of each of Vox and BidCo stating that all the conditions precedent have been fulfilled or waived and that the scheme has become operative shall be binding on Vox and the scheme participants.
- 21.4** Vox will bear and pay its own legal costs in relation to the negotiation, drafting, preparation and implementation of the implementation agreement, the preparation and submission of the necessary legal filings (but excluding any filing fees payable to any regulatory authority, including the South African competition authorities), and all other legal advice in relation to the implementation of the scheme. Vox will also bear and pay the costs of its corporate advisor and the independent expert, the costs of printing and posting the circular as well as any costs of any application required to be made to the court necessary to approve and implement the scheme.
- 21.5** Upon the scheme being implemented the existing documents of title relating to the scheme shares held by any scheme participants will cease to be of any value, other than for the purposes of surrender in terms of the scheme, and no certificates or deeds of documents will be issued by Vox in place thereof.
- 21.6** Vox will be entitled, and will have the authority, on behalf of each scheme participant, to authorise any person nominated by Vox to sign all documents required to carry the scheme into effect, including but not limited to forms of proxy, changes of address and other entitlements from Vox.
- 21.7** All times and dates referred to in the scheme (excluding the last day by which the conditions precedent must be fulfilled as provided in paragraph 4) are subject to change by agreement between Vox and BidCo and subject to the approval of the TRP and JSE and/or the court, where relevant. Any such change will be published on SENS and in the press as soon as reasonably possible thereafter.

22. CONFIRMATION OF FINANCIAL RESOURCES AND SECURITIES TO SETTLE THE SCHEME CONSIDERATION

Investec has delivered to Vox an irrevocable, unconditional bank guarantee in compliance with the TRP requirements in favour of Vox and the TRP in an amount of R190 953 218.03. In addition, Cliffe Dekker Hofmeyr Inc, on behalf of Lereko Metier, has provided to Vox and the TRP irrevocable written confirmation in compliance with the TRP requirements to the effect that it holds the sum of R67 024 956.38 in its trust account in favour of Vox. The aggregate amount of the bank guarantee and the written confirmation is sufficient for the purpose of fully satisfying the cash consideration payable in terms of the scheme having regard to the irrevocable undertakings received from Vox shareholders to date to accept consideration shares in return for Vox shares as referred to in paragraph 24.

BidCo confirms that it has sufficient authorised and unissued shares available to issue the consideration shares.

23. MAJOR SHAREHOLDERS

Insofar as it is known to the directors of Vox, there is no controlling shareholder of Vox. As at the last practicable date the following Vox shareholders directly held more than 5% of the issued shares of Vox:

Shareholder	Number of shares	% of issued share capital
Lereko Metier Capital Growth Fund	275 396 137	24.84
RMB Investments and Advisory (Proprietary) Limited	316 510 147	28.55
Mvelaphanda Group Limited	137 500 000	12.40
Investec Bank Limited	166 702 643	15.04
Total	896 108 927	80.83

24. IRREVOCABLE UNDERTAKINGS

BidCo has received irrevocable undertakings and letters of intent from certain Vox shareholders holding between them 507 860 147 Vox shares to vote in favour of the scheme and the resolutions to be proposed at the shareholders' meeting, representing in aggregate 45.82% of the existing issued ordinary share capital of Vox and 76.27% of the Vox shareholders entitled to vote at the scheme meeting.

Vox shareholders holding in aggregate 137 500 000 Vox shares and representing in aggregate 12.4% of the existing issued ordinary share capital of Vox have irrevocably undertaken to accept the cash consideration.

Vox shareholders holding in aggregate 316 510 147 Vox shares and representing in aggregate 28.6% of the existing issued ordinary share capital of Vox have irrevocably undertaken to accept the consideration shares. In addition, Lereko Metier and Investec have undertaken to accept the consideration shares in return for the 275 396 137 and 166 702 643 Vox shares held by them, respectively.

As a result, the maximum amount payable by BidCo, if all other Vox shareholders elect (or are deemed to have elected) to receive the cash consideration in return for their Vox shares is R157 451 283.90.

Details of shareholders that have provided irrevocable undertakings are set out below:

Shareholder	Shares (as at the last practicable date)	Percentage of shares (as at the last practicable date)
RMB Investments and Advisory (Proprietary) Limited	316 510,147 [#]	47.53
Mvelaphanda Group Limited	137 500,000	20.65
Industrial Development Corporation of South Africa	47 000,000	7.06
Conexus Investment Fund Limited	6 750,000	1.01
Douglas Investments Limited	100 000	0.02
Total	507 860 147	76.27

[#] RMB Investment and Advisory (Proprietary) Limited acquired an additional 56 690 447 Vox shares after providing their original irrevocable undertaking.

Other than RMB Investment and Advisory (Proprietary) Limited which acquired an additional 56 690 447 Vox shares, none of the shareholders who have irrevocably undertaken to vote in favour of the scheme have traded in Vox shares in the six months prior to the scheme.

Details of trading in Vox shares by RMB Investment and Advisory (Proprietary) Limited who have provided irrevocable undertakings are set out in Annexure 7.

25. AGREEMENTS IN RELATION TO THE SCHEME

Other than the implementation agreement, the consortium agreement, the exclusivity undertaking, the management participation scheme referred to in paragraph 10.2, and the irrevocable undertakings provided to vote in favour of the scheme, no other agreements have been entered into between BidCo, BidCo's directors and/or the consortium and any of Vox, the Vox directors or Vox shareholders in relation to the scheme.

26. INDEPENDENT BOARD

The independent board comprises:

D Wallace;

W V Cuba; and

P G Joubert,

none of whom hold any vested shares or options in Vox or BidCo.

27. COSTS OF THE SCHEME

In terms of the implementation agreement, Vox will bear and pay its own legal costs in relation to the negotiation, drafting, preparation and implementation of the implementation agreement, the preparation and submission of the necessary legal filings (but excluding any filing fees payable to any regulatory authority, including the South African competition authorities), and all other legal advice in relation to the implementation of the scheme. Vox will also bear and pay the costs of its corporate advisor and the independent expert, the costs of printing and posting the circular as well as any costs of any application required to be made to the court necessary to approve and implement the scheme.

28. MATERIAL CHANGES AND LITIGATION

There are legal and arbitration proceedings both for and against Vox, which could have a material effect on the group's financial position. These proceedings include arbitration relating to Vox's claims for an alleged breach of warranties given to Vox in terms of a previous acquisition. The board believes that Vox has made sufficient provision for any potential successful claims against it, and, due to the uncertain nature of litigation and in compliance with IFRS, no contingent assets have been recognised for any potential awards in favour of Vox.

Vox has been informed by its legal advisers that the Financial Services Board does not intend to take any action against Vox as a result of the matters surrounding Dealstream, which matters have previously been disclosed in a number of Vox's announcements.

29. OPINIONS AND RECOMMENDATIONS

- 29.1** KPMG, acting as independent expert to the independent board, has considered the terms and conditions of the scheme and is of the opinion that, at the date of issue of its opinion, which has been included as Annexure 2 to this circular, that the cash consideration is both fair and reasonable to scheme participants and that the consideration shares are reasonable but not fair to scheme participants, and has advised the independent board accordingly.
- 29.2** The independent board has considered the terms and conditions of the scheme and, taking into account the opinion of KPMG, is of the opinion that the terms and conditions of the cash consideration are fair and reasonable to scheme participants and that the consideration shares are reasonable but not fair to scheme participants due to reduced liquidity in the unlisted environment, which may or may not be appropriate, depending on the circumstances of every individual scheme participant, but nevertheless recommends that scheme members vote in favour of the scheme at the shareholders' meeting.
- 29.3** All the directors of Vox to the extent that they own Vox shares in their personal capacity, intend to vote in favour of the scheme.
- 29.4** The tax implications of the scheme on scheme participants will depend on the individual circumstances of each scheme participant. Accordingly, scheme participants are advised to obtain independent tax advice in relation to the tax implications of the scheme. A brief summary of the tax implications for South African scheme participants is set in paragraph 12 of this document.

30. RESPONSIBILITY STATEMENT

The independent board, insofar as any information in this document relates to Vox and the directors of BidCo, or BidCo, insofar as any information in this document relates to BidCo:

- 30.1** have considered all statements of fact and opinion in this document;
- 30.2** collectively and individually, accept full responsibility for the accuracy of the information given;
- 30.3** certify that, to the best of their knowledge and belief, the information is true and that there are no other facts the omission of which would make any statement false or misleading;
- 30.4** confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and
- 30.5** confirm that this document contains all information required by the Listings Requirements and the Takeover Regulations.

31. CONSENTS

Grindrod Bank Limited, Webber Wentzel, KPMG, Deloitte & Touche, Investec Corporate Finance (a division of Investec), Cliffe Dekker Hofmeyr Inc, Computershare Investor Services (Proprietary) Limited and Brunswick South Africa Limited have consented in writing to the inclusion of their names and reports in this document in the form and context in which they appear and have not withdrawn their consents prior to the publication of this document.

32. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of Vox, from 9 September 2011 up to and including the operative date:

- 32.1** the consolidated audited annual financial statements of Vox for the financial years ended 31 August 2009, 31 August 2010 and the consolidated reviewed results of Vox for the six months ended 28 February 2011;
- 32.2** the memorandum of incorporation of Vox;
- 32.3** a signed copy of this document;
- 32.4** a signed copy of the implementation agreement;
- 32.5** a signed copy of the exclusivity undertaking;
- 32.6** the independent opinion letter from KPMG;
- 32.7** copies of the irrevocable undertakings provided by the relevant scheme members;
- 32.8** Independent Reporting Accountants' Report on the *pro forma* financial effects pertaining to the consideration shares;
- 32.9** the memorandum of incorporation of BidCo; and
- 32.10** consent letters as per paragraph 31.

For and on behalf of

VOX TELECOM LIMITED

BUSINESS VENTURE INVESTMENTS NO 1542 LIMITED

30 August 2011
Johannesburg

30 August 2011
Sandton

HISTORICAL FINANCIAL INFORMATION OF VOX

REVIEWED RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2011

Consolidated statement of comprehensive income

	Reviewed Six months ended 28 February 2011 R'000	Audited Year ended 31 August 2010 R'000	Audited Year ended 31 August 2009 R'000
Revenue	925 026	2 070 755	2 082 533
Cost of sales	(668 061)	(1 549 639)	(1 559 576)
Gross profit	256 965	521 116	522 957
Other income	1 915	1 113	7 636
Depreciation and amortisation	(41 895)	(78 330)	(69 460)
Employment costs	(104 320)	(198 092)	(184 227)
Occupancy costs	(12 516)	(22 530)	(21 245)
Other operating costs	(64 263)	(115 086)	(123 664)
Operating profit	35 886	108 191	131 997
Finance costs	(5 356)	(17 731)	(40 437)
Finance income	3 815	8 866	8 433
Net finance costs	(1 541)	(8 865)	(32 004)
Profit before taxation and exceptional item	34 345	99 326	99 993
Exceptional item	–	(842 547)	(11 585)
(Loss) profit before taxation	34 345	(743 221)	88 408
Taxation	(10 450)	63 534)	(27 628)
(Loss) profit for the year	23 895	(679 687)	60 780
Other comprehensive (loss) income			
Exchange differences on translating foreign operation	–	–	(408)
Reclassification adjustments on deregistration of foreign operation	–	1 376	–
Total comprehensive (loss) income for the year	23 895	(678 311)	60 372
Attributable to equity holders of the parent	23 895	(678 311)	60 372
(Loss) earnings per share (“EPS”)			
Basic EPS (cents)	2.16	(61.32)	5.49
Diluted basic EPS (cents)	2.16	(61.32)	5.49
Additional information:			
Reconciliation of (loss) profit for the year to headline earnings			
(Loss) profit for the year	23 895	(679 687)	60 780
<i>Adjustments for:</i>			
Loss on sale of assets	(259)	159	869
Impairment of assets	–	956	9 749
Impairment of intangibles	–	328 553	–
Impairment of goodwill	–	512 618	–
Reclassification of FCTR	–	1 376	–
Tax effect	73	(92 307)	(2 973)
Headline earnings	23 709	71 668	68 425

Consolidated statement of comprehensive income (continued)

	Reviewed Six months ended 28 February 2011 R'000	Audited Year ended 31 August 2010 R'000	Audited Year ended 31 August 2009 R'000
Headline EPS (cents)	2.14	6.45	6.18
Diluted headline EPS (cents)	2.14	6.45	6.18
Weighted average number of shares			
Weighted average	1 108 501	1 108 501	1 107 244
Diluted weighted average	1 108 501	1 108 501	1 107 244

Consolidated statement of financial position

	Reviewed Six months ended 28 February 2011 R'000	Audited Year ended 31 August 2010 R'000	Audited Year ended 31 August 2009 R'000
ASSETS			
Non-current assets	558 207	571 974	1 450 595
Plant and equipment	130 523	128 763	131 340
Goodwill	86 803	86 803	599 358
Other intangibles	330 272	345 398	701 174
Finance lease receivable	2 106	1 529	1 943
Deferred taxation	8 503	9 481	16 780
Current assets	369 474	418 085	401 580
Inventories	25 726	28 941	41 481
Trade and other receivables	213 182	217 890	265 253
Tax receivable	8 764	6 324	1 975
Finance lease receivables	–	766	755
Cash and bank balances	121 802	164 164	92 116
Total assets	927 681	990 059	1 852 175
EQUITY AND LIABILITIES			
Capital and reserves	517 727	491 564	1 165 352
Share capital	1 109	1 109	1 109
Share premium	1 018 876	1 018 876	1 018 876
Reserves	16 397	14 129	8 230
(Accumulated loss) retained earnings	(518 655)	(542 550)	137 137
Total equity	491 564	1 165 352	
Non-current liabilities	69 511	105 388	285 746
Borrowings – interest bearing	170	37 683	118 982
Borrowings – interest free	2 141	2 275	758
Deferred taxation	67 200	65 430	166 006
Current liabilities	340 443	393 107	401 077
Trade and other payables	249 777	283 904	292 070
Provisions	14 755	26 279	14 173
Taxation	739	2 824	12 010
Current borrowings	75 172	80 100	82 824
Total equity and liabilities	927 681	990 059	1 852 175
Ordinary shares in issue at year end ('000)	1 108 501	1 108 501	1 108 501
Net asset value per share (cents)	46.7	44.3	105.1

Consolidated statement of cash flows

	Reviewed Six months ended 28 February 2011 R'000	Audited Year ended 31 August 2010 R'000	Audited Year ended 31 August 2009 R'000
Cash flow from operating activities			
Operating cash before working capital movements	83 564	206 118	209 318
Working capital movements	(38 356)	44 676	(24 241)
Cash generated from operations	45 208	250 794	185 077
Net interest paid	(1 541)	(8 865)	(32 004)
Taxation paid	(12 226)	(43 278)	(34 128)
Net cash inflow from operating activities	31 441	198 651	118 945
Cash flow from investing activities			
Additions to plant and equipment to expand operations	(31 854)	(35 603)	(62 430)
Additions to other intangibles to expand operations	(5 164)	(11 241)	(2 719)
Proceeds on disposal of plant and equipment	5 467	3 945	2 817
Proceeds from finance lease receivables	189	382	204
Additional vendor payments	–	(63)	(8 543)
Net cash outflow from investing activities	(31 362)	(42 580)	(70 671)
Cash flow from financing activities			
Repayments of long and short-term borrowings	(42 441)	(84 023)	(44 435)
Net cash outflow from financing activities	(42 441)	(84 023)	(44 435)
Net (decrease) increase in cash and cash equivalents	(42 362)	72 048	3 839
Bank balance at beginning of year	164 164	92 116	88 277
Cash and cash equivalents at end of year	121 802	164 164	92 116

Condensed statement of changes in equity

	Share capital R'000	Share premium R'000	Reserves R'000	Retained earnings (Accumulated loss) R'000	Equity attributable to equity holders of the parent R'000
Balance at 31 August 2008	1 101	1 002 384	5 428	76 357	1 085 270
Total comprehensive income for the year	–	–	(408)	60 780	60 372
Shares issued (net of costs)	8	16 492	–	–	16 500
Share-based payment expense	–	–	3 210	–	3 210
Balance at 31 August 2009	1 109	1 018 876	8 230	137 137	1 165 352
Total comprehensive loss for the year	–	–	1 376	(679 687)	(678 311)
Share-based payment expense	–	–	4 523	–	4 523
Balance at 31 August 2010	1 109	1 018 876	14 129	(542 550)	491 564
Total comprehensive loss for the year	–	–	–	23 895	23 895
Share-based payment expense	–	–	2 268	–	2 268
Balance at 28 February 2011	1 109	1 018 876	16 397	(518 655)	517 727

REPORT OF THE INDEPENDENT EXPERT

"The Independent Board
Vox Telecom
Rutherford Estate, Block D1
1 Scott Street, Waverley
2090

30 August 2011

Dear Sirs

Independent fair and reasonable opinion on the proposed offer by Business Venture Investments No. 1542 Limited ("BidCo") to acquire the entire issued share capital of Vox Telecom Limited ("Vox")

Introduction

In an announcement published by Vox Telecom Limited ("Vox") on 14 July 2011, shareholders were advised that Business Venture Investments No. 1542 Limited ("BidCo"), a special purpose company held by Lereko Metier Trustees (Proprietary) Limited and Investec Bank Limited (collectively the "Consortium") for that purpose has made an offer, to acquire the entire issued and to be issued share capital of Vox by way of a scheme of arrangement ("the Scheme").

BidCo proposes to implement the transaction by way of a scheme of arrangement in terms of section 114 of the Companies Act, No 71 of 2008, as amended ("the Companies Act").

Under the terms of the Scheme, if implemented, Vox shareholders will be entitled to receive, at their election:

- a cash consideration of 45 cents for every Vox share held ("Cash Consideration"); or
- one BidCo share for every 10 Vox shares held ("Consideration Shares"); or
- a combination thereof.

Any Vox shareholder who has not made an election will be deemed to have elected to receive the Cash Consideration.

Full details of the Scheme are contained in the circular to Vox shareholders ("the Circular") to be dated on or about 9 September 2011, which will include a copy of this letter.

The material interests of the directors of Vox and the effect of the Scheme on those interests and persons is set out in section 16 of the Circular.

Copies of sections 115 and 164 of the Companies Act are set out in Annexure 6 of the Circular.

Scope

An independent fair and reasonable opinion is required to be obtained by the independent board of directors of Vox ("the Independent Board") in terms of section 114 of the Companies Act with regard to the Scheme.

Section 114 of the Companies Act provides that the company must retain an independent expert who meets the requirements of Section 114(2) to compile a report to the board concerning the proposed arrangement.

KPMG Services (Proprietary) Limited ("KPMG") has been appointed by the Independent Board as the independent professional expert to advise on whether the terms and conditions of the Scheme are fair and reasonable to the shareholders of Vox.

Responsibility

The compliance with the Companies Act is the responsibility of the Independent Board. Our responsibility is to report on the terms and conditions of the Scheme in compliance with the related provisions of the Companies Act.

We confirm that our fair and reasonable opinion has been provided to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of Vox shareholders.

Definition of the terms “fair” and “reasonable”

A transaction will generally be considered fair to a company’s shareholders if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders.

The assessment of fairness is primarily based on quantitative issues. The Scheme may be considered fair if the consideration received per share by Vox shareholders, being either the Cash Consideration or the Consideration Shares, is considered to be equal to or greater than the value surrendered by Vox shareholders, being Vox shares, in terms of the Scheme.

The assessment of reasonableness is generally based on qualitative considerations surrounding the transaction. Hence, even though the consideration received by Vox shareholders may be less than the value surrendered by Vox shareholders, the Scheme may still be reasonable in certain circumstances after considering other significant qualitative factors.

Key fairness considerations

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the Scheme:

- obtained an understanding of the structure of the Scheme;
- reviewed the terms and conditions of the Scheme;
- considered the audited financial statements of Vox for the years ended 31 August 2009 and 2010;
- considered the unaudited management accounts of Vox as at 30 June 2011;
- held discussions with the directors and management of Vox to establish its strategy and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the telecommunications industry;
- evaluated the risks and expected returns associated with Vox;
- reviewed certain publicly available information relating to Vox, including company announcements, analyst reports and media articles;
- compared the 12 month historical share price movement of Vox shares to shares of comparable companies in order to assess the relative trading activities, liquidity and volatility of Vox shares;
- reviewed management forecasts (“the forecasts”) in respect of Vox and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management;
- reviewed the reasonableness of material assumptions in the forecasts relating to revenue growth, operating margins, capital expenditure and working capital. Adjustments which we deemed to be appropriate were made to the forecasts; and
- based on the above, performed a valuation of the shares of Vox.
- in respect of BidCo, we obtained an understanding of BidCo’s structure and business model going forward. In particular we considered the value implication, to the extent quantifiable, on BidCo shares including, in respect of, the management participation schemes, the additional transaction costs to be settled by BidCo, the potential cost savings and the increased liquidity constraint inherent in the BidCo shares.

Valuation

KPMG performed a valuation of the equity of Vox to determine whether the Scheme offer consideration represents fair value to Vox shareholders. The discounted cash flow methodology was the primary valuation methodology employed and this was supported by market based valuation methodologies.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Vox. The key external value drivers include the economic and market conditions. The regulatory environment is critical, in particular, in the telecommunications industry. Key internal value drivers to the valuation include revenue growth assumptions specifically voice and data volumes and operating margins. With respect to voice, the volume will be largely dependent on Vox’s ability to switch its existing customer base to its Cristal Vox platform and also attract new customers. Operating margins will be driven by the net savings retained and cost containment. Adjustments which we deemed to be appropriate were made to the forecasts.

In addition, sensitivity analyses were performed considering key assumptions in arriving at a valuation range.

In undertaking the valuation exercise above, we determined a valuation range of 42 cents to 50 cents per listed ordinary Vox share with a most likely value of 46 cents per ordinary share.

It is our understanding that following the implementation of the Scheme, there is no anticipated material change in BidCo's business model vis-a-vis the current Vox business model. Consequently, the same value drivers and assumptions used in valuing Vox were applied in valuing BidCo to determine the fair value of the Consideration Shares. However, in addition, in considering any adjustments to the value of BidCo, we engaged with management to ascertain and calculate the quantum of any savings and benefits to be derived as well as any additional costs to be incurred by BidCo. In particular, we considered the transaction costs, the management participation schemes, cost savings and liquidity.

Based on the above, we determined a valuation range of 380 cents to 450 cents per ordinary BidCo share with a most likely value of 410 cents per ordinary share at a conversion ratio of 1 ordinary BidCo share for every 10 Vox ordinary shares. The reduced liquidity of BidCo shares is the primary contributor to the lower value of BidCo shares relative to the corresponding Vox shares.

Key qualitative considerations

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the Scheme:

- the rationale for the Scheme as set out in the Circular;
- our understanding of the Scheme process and of the extent of the negotiations and resulting agreements; and
- the Cash Consideration and the fair value of the Consideration Shares being at a premium to the closing price of the Vox shares immediately prior to the date of the firm intention announcement.

Specifically in respect of the Consideration Shares, we considered the following qualitative factors to assess their reasonableness:

- the Consideration Shares themselves are an option available to shareholders in addition to the Cash Consideration option and the shareholder has the flexibility to choose either one or a combination thereof;
- for an investor with a long term view of BidCo, less emphasis would be placed on the illiquidity of the BidCo shares;
- the impact of the inclusion of a new management participation scheme that is aimed at attracting and retaining top talent and providing further incentivisation to drive long term overall shareholder value;
- in an unlisted environment, BidCo may be better positioned to increase its gearing and, hence, lower its cost of capital resulting in potentially enhanced value; and
- the greater shareholder involvement, typical in an unlisted environment, may result in benefits for BidCo that are not available to Vox presently.

Opinion

KPMG has considered the terms and conditions of the Scheme, in respect of the Cash Consideration and the Consideration Shares.

Based upon and subject to the conditions set out herein, KPMG is of the opinion that the terms and conditions of the Scheme in respect of the Cash Consideration of 45 cents per share is fair and reasonable to Vox shareholders.

Based upon and subject to the conditions set out herein, KPMG is of the opinion that the terms and conditions of the Consideration Shares, based on the quantitative considerations above, are not fair to the Vox shareholders. However, based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the Consideration Shares are reasonable in the circumstances.

Limiting conditions

Our opinion is necessarily based upon the information available to us up to 30 August 2011, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the proposed offer have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

This opinion is provided to the Independent Board in connection with and for the purposes of the proposed Scheme for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of Vox shareholders. This opinion is prepared solely for the Independent Board for use in the indicated manner and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Vox shareholders. Should a shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Vox shareholder's decision as to whether to vote in favour of any offer may be influenced by his particular circumstances. The assessment as to whether or not the Independent Board decides to recommend the Scheme is a decision that can only be taken by the Independent Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Vox, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of Vox relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Vox will correspond to those projected. Where practicable, we compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with the management of Vox. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the Scheme will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Vox and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the offer will be legally enforceable.

Independence, competence and fees

We confirm that we have no direct or indirect interest in the shares of Vox or the Scheme. We also confirm that we have the necessary qualifications and competence to provide the fair and reasonable opinion on the Scheme.

Furthermore, we confirm that our professional fees of approximately R520 000 are not contingent upon the success of the Scheme.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the shareholders of Vox Telecom in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Neeraj Shah

Director – Corporate Finance

KPMG Services (Pty) Ltd
KPMG Crescent
85 Empire Road
Parktown
2193"

PRICE HISTORY OF VOX SHARES ON THE JSE

Set out in the table below are the aggregate volumes and the highest, lowest and closing prices traded for Vox shares for the periods reflected:

Date	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Daily Price Data					
30 Aug 2011	46	45	45	497 552	223 898
29 Aug 2011	45	45	45	228 150	102 667
26 Aug 2011	45	45	45	62 170	27 976
25 Aug 2011	45	45	45	20 000	9 000
24 Aug 2011	45	45	45	697 470	313 861
23 Aug 2011	46	45	45	236 707	107 018
22 Aug 2011	46	45	45	3 614 897	1 626 957
19 Aug 2011	45	45	45	464 500	209 025
18 Aug 2011	45	45	45	154 970	69 736
17 Aug 2011	45	45	45	548 864	246 988
16 Aug 2011	45	45	45	1 068 500	480 825
15 Aug 2011	45	45	45	474 622	213 579
12 Aug 2011	45	45	45	1 051 360	473 112
11 Aug 2011	46	45	45	459 568	206 905
10 Aug 2011	46	45	45	11 732 922	5 279 946
08 Aug 2011	46	45	46	6 415 593	2 887 744
05 Aug 2011	46	45	46	5 799 441	2 611 998
04 Aug 2011	46	44	45	8 851 690	3 976 821
03 Aug 2011	45	44	44	964 694	424 498
02 Aug 2011	45	44	44	1 362 101	599 334
01 Aug 2011	45	44	44	481 678	211 984
29 Jul 2011	44	44	44	615 656	270 888
Monthly Price Data					
29 Jul 2011	47	33	44	10 326 264	2 966 075
30 Jun 2011	39	33	35	14 452 018	4 396 712
31 May 2011	40	35	39	19 414 003	7 506 260
29 Apr 2011	40	33	38	16 107 370	6 477 773
31 Mar 2011	40	33	38	24 614 692	9 493 618
28 Feb 2011	42	34	38	12 341 289	5 129 821
31 Jan 2011	45	39	41	28 729 311	11 749 547
31 Dec 2010	47	38	45	16 765 206	6 529 076
30 Nov 2010	42	34	40	6 736 806	2 513 858
29 Oct 2010	43	36	37	20 378 332	7 283 400
30 Sep 2010	43	35	39	14 669 644	5 454 637
31 Aug 2010	37	26	36	7 515 511	2 728 815
30 Jul 2010	31	27	28	215 923 628	94 295 810
Quarterly Price Data					
30 Jun 2010	39	27	30	51 030 828	15 512 759
31 Mar 2010	48	29	31	40 244 700	15 269 751
31 Dec 2009	62	28	31	79 592 241	30 974 586
30 Sep 2009	68	51	59	38 149 708	22 087 419
30 Jun 2009	79	42	55	19 367 464	11 996 741
31 Mar 2009	90	45	67	33 173 260	24 915 474
31 Dec 2008	124	50	85	40 745 721	33 026 045
30 Sep 2008	250	100	105	134 561 581	221 797 951
30 Jun 2008	205	178	205	27 148 273	53 080 392

Source: McGregor BFA

PRO FORMA FINANCIAL EFFECTS PERTAINING TO THE CONSIDERATION SHARES

The unaudited *pro forma* financial effects of the consideration shares, for which the directors of Vox and BidCo are responsible, are provided for illustrative purposes only to provide information about how the scheme will affect the financial position of the Vox shareholders who elect to receive the consideration shares and the effect thereof on the earnings per share (“EPS”), diluted earnings per share (“DEPS”), headline earnings per share (“HEPS”) and diluted headline earnings per share (“DHEPS”) of Vox compared to BidCo as if the scheme had become operative on 1 September 2010, and, for the purpose of net asset value per share (“NAVPS”) and net tangible asset value per share (“NTAVPS”) of Vox as compared to BidCo as if the scheme had become operative on 28 February 2011. Because of their nature, the unaudited *pro forma* financial effects may not give a fair presentation of BidCo’s financial position and performance. The unaudited *pro forma* financial effects have been compiled from the reviewed consolidated financial statements of Vox for the six months ended 28 February 2011 and are presented in a manner consistent with the format and accounting policies adopted by Vox and have been adjusted as described in the notes set out below. The report of the reporting accountants on the *pro forma* financial effects is set out in Annexure 5:

PRO FORMA STATEMENT OF FINANCIAL POSITION

	Before the scheme Note 1 R'000	Adjustments – Transaction costs Note 5 R'000	After the scheme R'000
ASSETS			
Non-current assets	558 207		558 207
Plant and equipment	130 523		130 523
Goodwill	86 803		86 803
Other intangibles	330 272		330 272
Other financial assets	2 106		2 106
Deferred taxation	8 503		8 503
Current assets	369 474	(19 731)	349 743
Inventories	25 726		25 726
Trade receivables and prepayments	213 182		213 182
Current tax receivable	8 764		8 764
Finance lease receivables	–		–
Cash and bank balances	121 802	(19 731)	102 071
Total assets	927 681	(19 731)	907 950
EQUITY AND LIABILITIES			
Total equity	517 727	(19 731)	497 996
Non-current liabilities	69 511		69 511
Borrowings – interest bearing	170		170
Borrowings – interest free	2 141		2 141
Deferred taxation	67 200		67 200
Current liabilities	340 443		340 443
Trade and other payables	249 777		249 777
Provisions	14 755		14 755
Taxation	739		739
Current borrowings	75 172		75 172
Total equity and liabilities	927 681	(19 731)	907 950
Ordinary shares in issue at period end ('000)	1 108 501		1 108 501
Net asset value per share (cents)	46.71	(1.78)	44.93
Net tangible asset value per share (cents)	9.08	(1.78)	7.30

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Before the scheme Note 1 R'000	IFRS2 acceleration as per note 4a R'000	Transaction costs as per note 4c R'000	Additional IFRS2 charge as per note 4b R'000	After the scheme R'000
Revenue	925 026				925 026
Cost of sales	(668 061)				(668 061)
Gross profit	256 965				256 965
Other income	1 915				1 915
Depreciation and amortisation	(41 895)				(41 895)
Employment costs	(104 320)	(4 340)		(1 514)	(110 174)
Occupancy costs	(12 516)				(12 516)
Other operating costs	(64 263)		(19 731)	(1 514)	(83 994)
Operating profit	35 886	(4 340)	(19 731)	(1 514)	10 301
Finance costs	(5 356)				(5 356)
Finance income	3 815				3 815
Net finance costs	(1 541)				(1 541)
Profit before taxation and exceptional items	34 345	(4 340)	(19 731)	(1 514)	8 760
Exceptional items	-				-
Profit (loss) before taxation	34 345	(4 340)	(19 731)	(1 514)	8 760
Taxation	(10 450)				(10 450)
Profit (loss) for the period	23 895	(4 340)	(19 731)	(1 514)	(1 690)
Other comprehensive income (loss)					
Reclassification adjustments on deregistration of foreign operation	-				-
Total comprehensive income (loss) for the period	23 895	(4 340)	(19 731)	(1 514)	(1 690)
Earnings (loss) per share (cents)					
Basic EPS	2.16	(0.39)	(1.78)	(0.14)	(0.15)
Diluted basic EPS	2.16	(0.39)	(1.78)	(0.14)	(0.15)
Additional information:					
Reconciliation of profit (loss) for the period to headline earnings					
Profit (loss) for the period	23 895	(4 340)	(19 731)	(1 514)	(1 690)
<i>Adjustments for:</i>					
Impairment of intangibles	-				-
Impairment of assets	-				-
Impairment of goodwill	-				-
(Profit) loss on sale of assets	(259)				(259)
Reclassification of FCTR	-				-
Tax effect	73				73
Headline earnings	23 709	(4 340)	(19 731)	(1 514)	(1 876)
Headline EPS (cents)	2.14	(0.39)	(1.78)	(0.14)	(0.17)
Diluted headline EPS (cents)	2.14	(0.39)	(1.78)	(0.14)	(0.17)
Number of shares					
In issue and weighted average ('000)	1 108 501				1 108 501
Diluted weighted average ('000)	1 108 501				1 108 501

Notes:

1. The financial information in the "Before the scheme" column has been based on the financial effects of the reviewed consolidated financial statements of Vox for the six months ended 28 February 2011.
2. The statement of comprehensive income and EPS, DEPS, HEPS and DHEPS included in the "After the scheme" column have been prepared by including the earnings effects of the scheme to the reviewed consolidated financial statements of Vox for the six months ended 28 February 2011, as if the scheme had become operative on 1 September 2010.
3. The *pro forma* statement of financial position and NAVPS and NTAVPS included in the "After the scheme" column have been prepared by including the balance sheet effects of the scheme to the reviewed consolidated financial statements of Vox for the six months ended 28 February 2011, as if the scheme had become operative on 28 February 2011.
4. The statement of comprehensive income and EPS, DEPS, HEPS and DHEPS included in the "After the scheme" column have been adjusted for the following:
 - (a) to include the additional once-off charge in terms of IFRS 2: Share -based Payments, amounting to R4.3 million, incurred as a result of the accelerated vesting cancellation of management's Share Appreciation Rights ("SARS"), totalling 15,8 million SARS;
 - (b) to include the additional recurring charge in terms of IFRS 2: Share -based Payments amounting to R1.5 million for the six months (R15.1 million amortised over 5 years), incurred as a result of the new management incentive scheme whereby preference shares will be issued to management, linked to a notional loan accruing interest at prime + 5% and sharing equally in dividends of BidCo;
 - (c) to include the once-off transaction costs amounting to R19.7 million; and
 - (d) no dilutive impact by the SARS scheme for dilutive earnings per share or dilutive headline earnings per share calculation as these SARS have a strike price of 54 cents per share and are currently out of the money.
5. The *pro forma* statement of financial position and NAVPS and NTAVPS included in the "After the scheme" column have been adjusted to include the once-off transaction costs amounting to R19.7 million.
6. The additional charge in terms of IFRS 2: Share -based Payments, amounting to R4.3 million, incurred as a result of the accelerated vesting cancellation of management's SARS, totalling 15,8 million SARS as well as the additional charge of R1.5 million as a result of the new management incentive scheme whereby preference shares will be issued to management, linked to a notional loan accruing interest at prime + 5% and sharing equally in dividends of BidCo does not have an impact on the NAVPS and NTAVPS included in the "After the scheme" column.
7. For ease of comparability, the *pro forma* calculations do not take into account the new capital structure proposed by BidCo, which will consist of one BidCo share for every 10 Vox shares in issue.

REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS PERTAINING TO THE CONSIDERATION SHARES

"The Directors
Vox Telecom Limited
Block D1
Rutherford Estate
1 Scott Street
Waverley, 2090

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF VOX TELECOM LIMITED

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out on paragraph 14.2 and Annexure 4 of the circular to be dated on or about 9 September 2011 issued in connection with the offer to acquire the entire issued share capital of Vox Telecom Limited that is the subject of this circular.

The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the transaction might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors' responsibility

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* information financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Vox Telecom Limited; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular to Vox Telecom Limited's shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000") and the Guide on *Pro Forma* Financial Information issued by SAICA. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Vox Telecom Limited, the issuer, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the corporate actions that are the subject of this circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Vox Telecom Limited and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that: the *pro forma* financial information has not been properly compiled on the basis stated, such basis is inconsistent with the accounting policies of the issuer, and the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the section 8.17 and 8.30 JSE Listings Requirements.

Consent

We consent to the inclusion of this report, which will form part of the circular, to be issued on or about 9 September 2011, in the form and context in which it will appear.

Deloitte & Touche

Registered Auditors

Per: James Welch

Partner

31 August 2011

National Executive: G G Gelink Chief Executive A E Swiegers Chief Operating Officer G M Pinnock Audit D L Kennedy Risk Advisory N B Kader Tax & Legal Services L Geeringh Consulting L Bam Corporate Finance J K Mazzocco Human Resources C R Beukman Finance N T Mtoba Chairman of the Board M J Comber Deputy Chairman of the Board

A full list of partners and directors is available on request"

RELEVANT SECTIONS OF THE COMPANIES ACT

114. Proposals for scheme of arrangement

- (1) Unless it is in liquidation or in the course of business rescue proceedings in terms of Chapter 6, the board of a company may propose and, subject to subsection (4) and approval in terms of this Part, implement any arrangement between the company and holders of any class of its securities by way of, among other things:
[Words preceding para. (a) substituted by s. 70 of Act 3/2011]
- (a) a consolidation of securities of different classes;
 - (b) a division of securities into different classes;
 - (c) an expropriation of securities from the holders;
 - (d) exchanging any of its securities for other securities;
 - (e) a re-acquisition by the company of its securities; or
 - (f) a combination of the methods contemplated in this subsection.
- (2) The company must retain an independent expert, who meets the following requirements, to compile a report as required by subsection (3):
[Words preceding para. (a) substituted by s. 70 of Act 3/2011]
- (a) The person to be retained must be-
 - (i) qualified, and have the competence and experience necessary to:
 - (aa) understand the type of arrangement proposed;
 - (bb) evaluate the consequences of the arrangement; and
 - (cc) assess the effect of the arrangement on the value of securities and on the rights and interests of a holder of any securities, or a creditor of the company; and
 - (ii) able to express opinions, exercise judgment and make decisions impartially.
 - (b) the person to be retained must not-
 - (i) have any other relationship with the company or with a proponent of the arrangement, such as would lead a reasonable and informed third party to conclude that the integrity, impartiality or objectivity of that person is compromised by that relationship;
 - (ii) have had any relationship contemplated in subparagraph (i) within the immediately preceding two years; or
 - (iii) be related to a person who has or has had a relationship contemplated in subparagraph (i) or (ii).
- (3) The person retained in terms of subsection (2) must prepare a report to the board, and cause it to be distributed to all holders of the company's securities, concerning the proposed arrangement, which must, at a minimum:
- (a) state all prescribed information relevant to the value of the securities affected by the proposed arrangement;
 - (b) identify every type and class of holders of the company's securities affected by the proposed arrangement;
 - (c) describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);
 - (d) evaluate any material adverse effects of the proposed arrangement against:
 - (i) the compensation that any of those persons will receive in terms of that arrangement; and
 - (ii) any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the company;
 - (e) state any material interest of any director of the company or trustee for security holders;
[Para. (e) substituted by s. 70 of Act 3/2001]
 - (f) state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e); and
 - (g) include a copy of sections 115 and 164.

- (4) Section 48 applies to a proposed arrangement contemplated in this section to the extent that the arrangement would result in any re-acquisition by a company of any of its previously issued securities.
[Subs. (4) inserted by s. 70 of Act 3/2011]

115. Required approval for transactions contemplated in Part

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
- (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
[Para. (b) substituted by s. 71 of Act 3/2011]
- (2) A proposed transaction contemplated in subsection (1) must be approved:
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
[Para. (a) substituted by s. 71 of Act 3/2011]
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if-
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
[Subpara. (iii) substituted by s. 71 of Act 3/2011]
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if-
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
[Para. (a) substituted by s. 71 of Act 3/2011]
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
[Para. (b) substituted by s. 71 of Act 3/2011]
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:

- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
- (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
[Subs. (4) substituted by s. 71 of Act 3/2011]
- (4A) In subsection (4), “**act in concert**” has the meaning set out in section 117(1)(b).
[Subs. (4A) inserted by s. 71 of Act 3/2011]
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
[Para. (a) substituted by s. 71 of Act 3/2011]
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if-
 - (a) the resolution is manifestly unfair to any class of holders of the company’s securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person-
 - (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

164. Dissenting shareholders’ appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to-
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114,
that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
 - (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder-
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

[Words preceding para. (a) substituted by s. 103 of Act 3/2011]

 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless-
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

[Para. (c) substituted by s. 103 of Act 3/2011]
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
 - (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
 - (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.

- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may-
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - [Item (aa) substituted by s. 103 of Act 3/2011]
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- [Subs. (15A) inserted by s. 103 of Act 3/2011]
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:

- (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

[Subs. (20) inserted by s. 103 of Act 3/2011]

DETAILS OF TRADING IN VOX SHARES BY THE CONSORTIUM AND SHAREHOLDERS WHO HAVE PROVIDED IRREVOCABLE UNDERTAKINGS

SHAREHOLDER	NUMBER OF SHARES ACQUIRED	DATE
RMB Investments and Advisory (Proprietary) Limited	13 505 934	19/07/2011
RMB Investments and Advisory (Proprietary) Limited	1 817 261	20/07/2011
RMB Investments and Advisory (Proprietary) Limited	2 576 805	21/07/2011
RMB Investments and Advisory (Proprietary) Limited	12 428 000	22/07/2011
RMB Investments and Advisory (Proprietary) Limited	5 362 447	25/07/2011
RMB Investments and Advisory (Proprietary) Limited	10 000 000	27/07/2011
RMB Investments and Advisory (Proprietary) Limited	11 000 000	27/07/2011
Investec Bank Limited	24 763 291	21/07/2011
Investec Bank Limited	48 412 668	22/07/2011
Investec Bank Limited	13 148 204	25/07/2011
Investec Bank Limited	688 407	26/07/2011
Investec Bank Limited	26 409 026	27/07/2011
Investec Bank Limited	8 418 992	28/07/2011
Investec Bank Limited	615 656	29/07/2011
Investec Bank Limited	477 100	01/08/2011
Investec Bank Limited	1 361 101	02/08/2011
Investec Bank Limited	961 344	03/08/2011
Investec Bank Limited	8 849 809	04/08/2011
Investec Bank Limited	5 574 441	05/08/2011
Investec Bank Limited	6 313 504	08/08/2011
Investec Bank Limited	11 712 722	10/08/2011
Investec Bank Limited	449 568	11/08/2011
Investec Bank Limited	1 051 360	12/08/2011
Investec Bank Limited	474 622	15/08/2011
Investec Bank Limited	1 068 500	16/08/2011
Investec Bank Limited	548 864	17/08/2011
Investec Bank Limited	154 970	18/08/2011
Investec Bank Limited	464 500	19/08/2011
Investec Bank Limited	3 589 497	22/08/2011
Investec Bank Limited	186 707	23/08/2011
Investec Bank Limited	697 470	24/08/2011
Investec Bank Limited	20 000	25/08/2011
Investec Bank Limited	62 170	26/08/2011
Investec Bank Limited	228 150	29/08/2011

Note: Neither of the shareholders who provided irrevocable undertakings nor the consortium traded in Vox shares at above the cash offer price of 45 cents in respect of the above trades.

EXTRACT OF CLAUSE 11 OF THE MEMORANDUM OF INCORPORATION OF BIDCO

11. RIGHTS OF PRE-EMPTION

- 11.1 Subject to clause 11.5, should a Key Shareholder ("**Disposer**") wish to dispose of any Shares, the Disposer shall offer such Shares by notice in writing to the remaining Key Shareholders, *pro rata* to their respective shareholdings in the Company ("**First Offer**") stating:
- 11.1.1 the number of Shares which the Disposer proposes to sell;
 - 11.1.2 the price (in South African currency) at, and the terms and conditions upon which, the Disposer proposes to sell the Shares; and
 - 11.1.3 to the extent applicable, the name of the proposed transferee to whom the Disposer intends selling and its ultimate holding company (if any), and including a copy of any offer received.
- 11.2 Should the First Offer not be accepted in full in writing within 10 (ten) business days of the date upon which the First Offer is made, any Shares in respect of which the First Offer has not been accepted shall be offered upon the same terms and conditions to the Key Shareholders who have accepted the First Offer ("**Second Offer**"). A Key Shareholder will be given a further period of 5 (five) business days from the date of the Second Offer to give notice to the Disposer of the number of Shares that such Key Shareholder is willing to purchase. The Shares which are the subject of the Second Offer shall be apportioned amongst and sold to the Key Shareholders who are willing to take up the Shares as nearly as possible in proportion to the number of Shares which they have respectively offered to purchase.
- 11.3 Should acceptances not have been received in respect of all the Shares offered in accordance with the foregoing procedure, and:
- 11.3.1 a proposed transferee has been identified as part of the First Offer, then:
 - 11.3.1.1 none of the acceptances of the First Offer or the Second Offer will be of any force or effect (unless otherwise determined by the Disposer) and the Disposer will then be entitled to dispose of all (or the remaining portion of) the Shares offered, within a further period of 60 (sixty) days, to the proposed transferee referred to in clause 11.1.3 at a price not lower and on terms and conditions not more favourable to such person than the price and terms stated in the First Offer; and
 - 11.3.1.2 unless the Disposer disposes of all its said Shares to the proposed transferee within the said further period of 60 (sixty) days, it may not thereafter dispose of any Shares without again adopting the procedure referred to herein.
 - 11.3.2 no proposed transferee has been identified as part of the First Offer, then:
 - 11.3.2.1 none of the acceptances of the First Offer or the Second Offer will be of any force or effect (unless otherwise determined by the Disposer);
 - 11.3.2.2 the Disposer will then be entitled to dispose of all (or the remaining portion of) the Equity offered, within a further period of 60 (sixty) days, to a third party at a price not lower and on terms and conditions not more favourable to such third party than the price and terms stated in the First Offer; and
 - 11.3.2.3 unless the Disposer disposes of all its said Equity to such third party within the said further period of 60 (sixty) days, it may not thereafter dispose of any Equity without again adopting the procedure referred to herein.
- 11.4 The acceptance of any offer or the disposal of any Shares in terms of this clause 11.4 will be subject to the condition precedent that all approvals required by law or regulation to give effect thereto or to the implementation of the transaction contemplated thereby, are duly obtained and all relevant time periods will be deemed to be extended to permit the obtaining of such approvals. The Key Shareholders undertake to do all things, perform all such actions and take all such steps and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to expediting any regulatory approval process.

11.5 In the event that a Key Shareholder wishes to dispose of any portion of its Shares such that upon implementation of such disposal it shall hold less than 10% (ten) percent of the entire issued share capital of the Company, it shall not be entitled to dispose of such Shares unless either –

11.5.1 it offers to sell all of its Shares (and not a portion thereof) to the Key Shareholders in accordance with the provisions of clauses 11.1 to 11.4 above; or

11.5.2 the other Key Shareholders have given their prior written consent to such disposal.

EXTRACT OF CLAUSE 34 AND SCHEDULE “2” OF THE MEMORANDUM OF INCORPORATION OF BIDCO

SPECIALLY PROTECTED MATTERS

Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, the Company shall not engage in, agree to, perform or undertake any Specially Protected Matter unless Shareholders holding at least 80% (eighty percent) of the voting rights shall have agreed thereto in writing in one or more written instruments signed by them or on their behalf, and the powers of the Board shall be limited accordingly.

SPECIALLY PROTECTED MATTERS

1. The following are the Specially Protected Matters referred to in this Memorandum of Incorporation:
 - 1.1 the disposal or transfer (whether directly or through a subsidiary or other vehicle) of all or the greater part of the assets or undertaking of the Company;
 - 1.2 the acquisition or purchase of the assets or undertaking of a company, the purchase price of which is greater than 15% (fifteen percent) of the value of the Company;
 - 1.3 the incurring of any direct indebtedness (other than trade debt in the ordinary course of business) with an exposure at any given time in excess of R150 000 000.00 (one hundred and fifty million Rand);
 - 1.4 any increase in, alteration or reduction or conversion of the Company's authorised or issued share capital;
 - 1.5 any variation of any of the rights attaching to any Shares or class of Shares in the Company;
 - 1.6 the issue or allotment by the Company of any capitalisation Shares, bonus Shares, share options, share warrants or debentures;
 - 1.7 the repurchase of any of the Company's issued Shares;
 - 1.8 the liquidation or winding-up or the discontinuance of the business activities of the Company;
 - 1.9 any matter relating to the financing or capital or borrowings of the Company which would have the effect of directly or indirectly reducing the proportionate shareholding of any Shareholder;
 - 1.10 any re-structuring of the Company, merger of the Company and any other entity and any joint venture agreements;
 - 1.11 any material change in the nature of the business of the Company;
 - 1.12 the listing of any Shares or share options on any recognised stock exchange;
 - 1.13 and the foregoing shall apply, *mutatis mutandis*, in relation to any subsidiary of the Company.
2. All Rand amounts reflected in this Schedule shall be increased on 1 January of each year, in the same ratio as any increase in the Consumer Price Index year-on-year, provided that, for the purposes hereof, “**Consumer Price Index**” means the weighted average consumer price index for all areas of the month in which the date concerned falls as published by the Central Statistical Services of the Republic (“**Official Index**”), provided that:
 - 2.1 if the Official Index is at any time discontinued, or is otherwise unavailable, the Company's auditors (“**Auditors**”) shall select or prepare a similar index and may direct how it is to be applied so as to have the same effect as nearly as possible as the Official Index would have had if it had not been discontinued or otherwise become unavailable;
 - 2.2 if the basis of the Official Index is modified at any time after the date on which the Company is incorporated, the Auditors shall, if so requested, by any Shareholder and if the Auditors consider that the modification is material, make such adjustments in the Official Index as will restore it as nearly as possible to the position it would have been in had its basis not been so modified; and
 - 2.3 a determination by the Auditors as contemplated herein shall be binding on the Company and its Shareholders.



(Incorporated in the Republic of South Africa)
(Registration number: 1998/016433/06)
(Share code: VOX) (ISIN: ZAE000097234)

NOTICE OF SHAREHOLDERS' MEETING

Notice is hereby given that a shareholders' meeting of Vox Telecom Limited ("the **Company**") will be held at the Everest Auditorium, Vox Telecom, Block B2, Rutherford Estate, 1 Scott Street, Waverley, 2090 on 12 October 2011 at 10:00 to consider and if deemed fit, to pass, with or without modification, the special and ordinary resolution set out below. The record date in terms of section 59 of the Act for shareholders to be recorded in the register in order to be able to attend, participate and vote at the meeting is **Friday, 7 October 2011**.

All terms defined in the circular to which this notice of shareholders' meeting is attached shall bear the same meanings herein.

Vox shareholders are reminded that:

- **a Vox shareholder entitled to attend and vote at the shareholders' meeting is entitled to appoint a proxy (or concurrent proxies) to attend, participate in and vote at the shareholders' meeting in the place of the shareholder, and shareholders are referred to the attached form of proxy;**
- **a proxy need not also be a Vox shareholder; and**
- **in terms of section 63(1) of the Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.**

SPECIAL RESOLUTION NUMBER 1

"RESOLVED THAT the scheme of arrangement in terms of section 114 of the Companies Act (more fully described in the circular to Vox shareholders dated 9 September 2011), proposed by the board between Vox and the Vox shareholders, in terms of which, if such scheme of arrangement becomes operative, Business Venture Investments No. 1542 Limited will acquire the entire issued share capital of Vox (save for those shares held by dissenting shareholders that do not withdraw their respective demands made in terms of sections 164(5) to (8) of the Act or allow any offers by the company to them in terms of section 164(11) of the Act to lapse, as more fully described in paragraph 9.4 of the circular) for the scheme consideration comprised of either the cash consideration or the consideration shares or a combination thereof, at the election of scheme participants, provided that where a scheme participant fails to make an election by 12:00 on the scheme consideration record date, such scheme participant will be deemed to have elected to receive the cash consideration, be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Act."

The quorum requirement for special resolution number 1 to be adopted is sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the special resolution.

In terms of section 62(3)(c) of the Companies Act, the percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the voting rights exercised on the resolution.

ORDINARY RESOLUTION NUMBER 1

"RESOLVED THAT, any director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of special resolution number 1."

In terms of section 62(3)(c) of the Companies Act, the percentage of voting rights that will be required for this resolution to be adopted is more than 50% of the voting rights present and exercised on the resolution.

VOTING

On a show of hands, every Vox shareholder who is present in person, by proxy or represented at the shareholders' meeting shall have one vote (irrespective of the number of Vox shares held), and on a poll, every Vox shareholder shall have for each share held by him that proportion of the total votes in the company which the aggregate amount of the nominal value of that share held by him bears to the aggregate of the nominal value of all the shares issued by the Company.

In terms of section 115(4) of the Act, the votes of the members of the consortium, will not be taken into account in determining whether a quorum of shareholders is present and will not be taken into account in determining the results of the voting.

ELECTRONIC PARTICIPATION

Shareholders are advised that no facilities for electronic participation in the shareholders' meeting will be made available.

PROXIES

A Vox shareholder entitled to attend and vote at the shareholders' meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a shareholder of the company.

A form of proxy is attached for the convenience of certificated shareholders and own name dematerialised shareholders who are unable to attend the shareholders' meeting, but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by Vox's transfer secretaries, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), not later than 10:00 on Monday, 10 October 2011.

Dematerialised shareholders other than with "own name" dematerialised scheme members who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes, should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the Vox shareholders' meeting in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the shareholders' meeting in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the agreement entered into between such dematerialised shareholders and the CSDP or broker.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before special resolution number 1 as set out in this notice is voted on, a dissenting shareholder may give the Company a written notice objecting to special resolution number 1.

Within 10 business days after the Company has adopted special resolution number 1, the Company must send a notice that special resolution number 1 has been adopted to each Shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of special resolution number 1.

A shareholder may demand that the Company pay the shareholder the fair value for all of the shares of the Company held by that person if:

- the shareholder has sent the Company a notice of objection;
- the Company has adopted the special resolution number 1; and
- the shareholder voted against special resolution number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Act is set out Annexure 6 to the circular.

By order of the board

Vox Telecom Limited

G J Koen

Company Secretary

9 September 2011

Registered office

Block D1
Rutherford Estate
1 Scott Street
Waverley, 2090
(PO Box 369, Rivonia, 2128)



VOX TELECOM LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number: 1998/016433/06)
 (Share code: VOX) (ISIN: ZAE000097234)

FORM OF PROXY – SHAREHOLDERS’ MEETING

For use by certificated shareholders or own name dematerialised scheme members at the shareholders’ meeting of the company to be held at the Everest Auditorium, Vox Telecom, Block B2, Rutherford Estate, 1 Scott Street, Waverley, 2090 at 10:00 on Wednesday, 12 October 2011.

All terms defined in the circular to which this form of proxy is attached shall bear the same meanings, *mutatis mutandis*, in this form of proxy.

If dematerialised shareholders, other than own name dematerialised scheme members, have not been contacted by their CSDP or broker with regard to how they wish to cast their vote, they should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their vote at the shareholders’ meeting in order for their CSDP or broker to vote in accordance with such instructions. If dematerialised shareholders, other than own name dematerialised scheme members, have not been contacted by their CSDP or broker it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions. Dematerialised shareholders who are not own-name dematerialised scheme members and who wish to attend the shareholders’ meeting must obtain the necessary letter of representation from their CSDP or broker, as the case may be and submit same to the transfer secretaries to be received by no later than 10:00 on Monday, 10 October 2011. This must be done in terms of the agreement entered into between the dematerialised shareholder and their CSDP or broker. If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised shareholders, it will be obliged to act in terms of the mandate furnished to it, or if the mandate is silent in this regard, to abstain from voting. **Such dematerialised shareholders, other than own name dematerialised scheme members, must not complete this form of proxy and should read note 11 of the overleaf.**

I/We [FULL NAMES IN BLOCK LETTERS PLEASE]

of (address) [BLOCK LETTERS PLEASE]

Telephone number: (WORK)(area code)

Telephone number: (HOME)(area code)

Cellphone number:

E-mail address:

being the holder of certificated or dematerialised shares with “own name” registration (delete whichever is not applicable) shares hereby appoint
 1. _____ or failing him/her,
 2. _____ or failing him/her,

3 the chairperson of the shareholders’ meeting which appointment is irrevocable/revocable

as my/our proxy to vote for me/us on my/our behalf at the shareholders’ meeting of Vox to be held at 10:00 on Wednesday, 12 October 2011 or any adjournment thereof as follows:

Resolution	For	Against	Abstain
Special resolution number 1 Approval of scheme of arrangement in terms of section 114 of the Companies Act			
Ordinary resolution number 2 Directors’ authority to take all such actions necessary to implement the above resolution			

Insert an “X” in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of Vox shares held in respect of which you desire to vote (see note 2).

If no directions are given, the proxy holder will be entitled to vote or to abstain from voting, as that proxy holder deems fit. Unless otherwise instructed, my proxy may vote as he/she thinks fit.

Signed at _____ on this day of _____ 2011

Full name Capacity _____

Signature(s) _____

Assisted by (where applicable) _____

Please see the notes on the reverse side hereof.

A Vox shareholder entitled to attend and vote at the shareholders’ meeting may appoint one or more persons as his/her proxy to attend, speak or vote in his/her stead at the shareholders’ meeting. A proxy need not be a Vox shareholder.

On a show of hands, every Vox shareholder shall have one vote (irrespective of the number of Vox shares held). On a poll, every Vox shareholder shall have for each share held by him that proportion of the total votes in the company which the aggregate amount of the nominal value of that share held by him bears to the aggregate amount of the nominal value of all the shares issued by the company.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a Vox 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 Vox shareholder) as a proxy to participate in, and speak and vote at, a shareholders’ meeting on behalf of such Vox shareholder;
- a proxy may delegate her or his authority to act on behalf of a Vox 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 Vox shareholder chooses to act directly and in person in the exercise of any of such Vox shareholder’s rights as a shareholder;
- any appointment by a Vox 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 Vox 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 relevant company; and
- a proxy appointed by a Vox shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the memorandum of incorporation of Vox, or the instrument appointing the proxy, provides otherwise.

Notes:

1. A Vox shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the spaces provided with or without deleting "the chairperson of the shareholders' meeting", but any such deletion must be initialled by the Vox shareholder. The person whose name appears first on the form of proxy and who is present at the shareholders' meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert the number of shares in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Vox shares exercisable by you, insert the number of Vox shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairperson, if the chairperson is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he/she deems fit, in respect of all the Vox shareholder's votes exercisable thereat. A Vox shareholder or its/his/her proxy is not obliged to use all the votes exercisable by the Vox shareholder or its/his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Vox shareholder or its/his/her proxy.
3. Forms of proxy must be lodged with the transfer secretaries, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Monday, 10 October 2011, in order to be effective.
4. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairperson of the shareholders' meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant Vox shareholder from attending the shareholders' meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Vox shareholder wish to do so.
7. The chairperson of the shareholders' meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the chairperson is satisfied as to the manner in which the Vox shareholder wishes to vote.
8. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment.
9. Joint holders – any such persons may vote at the shareholders' meeting in respect of such joint Vox shares as if he/she were solely entitled thereto; but if more than one of such joint holders are present or represented at the shareholders' meeting, that one of the said persons whose name stands first in the register in respect of such Vox shares or his/her proxy, as the case may be, is alone entitled to vote in respect thereof.
10. Vox shareholders who hold Vox shares that have been dematerialised, and are registered by the CSDP on the sub-register in their own name kept by that CSDP ("own name dematerialised scheme members"), will be entitled to attend the shareholders' meeting in person or, if they are unable to attend and wish to be represented thereat, must complete and return the attached form of proxy to the transfer secretaries in accordance with the time specified on the form of proxy.
11. Vox shareholders who hold Vox shares through a nominee should advise their nominee or, if applicable, their CSDP or broker timeously of their intention to attend and vote at the shareholders' meeting or to be represented by proxy thereat in order for their nominee or, if applicable, their CSDP or broker to provide them with the necessary letter of representation to do so or should provide their nominee or, if applicable, their CSDP or broker timeously with their voting instruction should they not wish to attend the shareholders' meeting in person, in order for their nominee to vote in accordance with their instruction at the shareholders' meeting.



VOX TELECOM LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1998/016433/06)
(Share code: VOX) (ISIN: ZAE000097234)

FORM OF SURRENDER, ELECTION AND TRANSFER IN RESPECT OF THE SCHEME "FORM"

Important notes concerning this Form:

- This Form is only for use in respect of the scheme of arrangement in terms of section 114 of the Companies Act, 2008 (Act 71 of 2008) ("the **Companies Act**") proposed by Vox between the company and its ordinary shareholders in the company whereby **Business Venture Investments No 1542 Limited** ("**BidCo**") will acquire the entire issued share capital in Vox ("**the scheme**").
- Full details of the scheme are contained in a document to shareholders of Vox dated Friday, 9 September 2011 ("**Circular**"), to which Circular this Form is attached and forms part. Accordingly, all definitions and terms used in this Form shall, unless the context otherwise requires, have the corresponding meaning and interpretation attributed in such Circular.

INSTRUCTIONS:

HOLDERS OF DEMATERIALIZED SHARES MUST NOT COMPLETE THIS FORM OF SURRENDER, ELECTION AND TRANSFER

1. The surrender of documents of title is for use only by certificated scheme participants.
2. A separate form of surrender, election and transfer is required for each certificated scheme participant.
3. Part A must be completed by all scheme participants who return this Form.
4. Part B must be completed by all scheme participants who are emigrants from the Republic of South Africa ("South Africa"), the Republic of Namibia and the Kingdoms of Lesotho and Swaziland (collectively "the common monetary area").
5. If this Form is returned with the relevant document(s) of title to Vox, it will be treated as a conditional surrender which is made subject to the scheme becoming operative. In the event of the scheme not becoming operative for any reason whatsoever, the transfer secretaries will, by not later than five business days after the date upon which it becomes known that the scheme will not be operative, return the documents of title to the Vox shareholders concerned, by registered mail, at the risk of such Vox shareholders.
6. Persons who have acquired Vox shares after the date of the issue of the Circular to which this Form is attached can obtain copies of the Form and the Circular from the transfer secretaries, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).
7. The scheme consideration will not be sent to scheme participants unless and until documents of title in respect of the relevant scheme shares have been surrendered to the transfer secretaries.

To: **Computershare Investor Services (Proprietary) Limited**
70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

Dear Sirs

PART A: To be completed by ALL scheme participants who return this Form.

I/We hereby surrender the Vox share certificate/s and/or other documents of title attached hereto, representing Vox shares with a par value of 0.1 cent each, registered in the name of the person mentioned below and authorise the transfer secretaries, conditional upon the scheme being implemented, to register the transfer of these Vox shares into the name of Business Venture Investments No. 1542 Limited or its nominee(s):

Name of shareholder	Certificate number(s)	Number of Vox shares covered by each certificate(s) enclosed
Total		

Election to be made by scheme participants

In terms of the scheme, each scheme participant will be entitled to elect to receive:

- a cash consideration of 45 cents for every Vox ordinary share; or
- one ordinary share in BidCo for every 10 Vox ordinary shares; or
- a combination of the cash consideration and the consideration shares,

on the basis that in the absence of an election (and should scheme participants fail to complete and deliver the application form for subscription for consideration shares attached to the circular), Vox shareholders will be deemed to have elected to receive the cash consideration.

Election to be made by scheme participants:

	Number of Vox shares:
Cash consideration in respect of:	
Consideration shares in respect of:	

Note: Scheme participants can elect to receive the cash consideration, the consideration shares, or a combination of the two. In the absence of an election by 12:00 on the scheme consideration record date, Vox shareholders will be deemed to have elected to receive the cash consideration.

SCHEME PARTICIPANTS WHO ELECT TO RECEIVE THE CONSIDERATION SHARES MUST ALSO COMPLETE AND DELIVER THE APPLICATION FORM (REFER TO YELLOW APPLICATION FORM) FOR SUBSCRIPTION FOR CONSIDERATION SHARES ATTACHED TO THE CIRCULAR IN ACCORDANCE WITH THE PROVISIONS THEREOF.

A dissenting shareholder who subsequently becomes a scheme participant pursuant to paragraph 9 of the Circular after the scheme consideration record date is deemed to have elected to receive the cash consideration.

Surname or name of corporate body _____

First names (in full) _____

Title (Mr, Mrs, Miss, Ms, etc) _____

Address to which the scheme consideration should be sent (if different from registered address) _____

Postal code _____

Signature of Vox shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	
Telephone number (Work)	
Cellphone number	

PART B: To be completed by emigrants of the common monetary area.

Nominated authorised dealer in the case of a scheme participant who is an emigrant from the common monetary area (see note 2 below)

Name of dealer
Account number
Address

NB: PART A MUST ALSO BE COMPLETED

PART C: Bank account details of Vox shareholders

To be completed in BLOCK CAPITALS by Vox shareholders wishing to receive payment of cash consideration by means of the electronic transfer of funds. The option of electronic payment into a Vox shareholder's bank account is only applicable if documents of title are received on or before 12:00 on Friday, 25 November 2011.

In terms of FICA, Computershare Investors Services (Pty) Ltd will only be able to record the banking details if the following documents are submitted together with the surrender form:

- (a) a certified true copy of ID document; and**
- (b) a certified true copy of bank statement.**

I/We, being a holder/s of Vox shares hereby request that the scheme consideration, be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third party accounts):
Bank name:
Branch name:
Branch code:
Account number:
Signature of Vox shareholder:
Assisted by me (if applicable):
(State full name and capacity):
Date:
Telephone number (Home): ())
Telephone number (Work): ())
Cell phone: ())

PART D: To be completed in BLOCK CAPITALS by scheme participants who are emigrants from the common monetary area (“emigrants”) and non-residents of the common monetary area (see notes 1 and 2 below).

The scheme consideration will be forwarded to the authorised dealer in foreign exchange in South Africa controlling the emigrant's blocked assets in terms of the Exchange Control Regulations as nominated below for its control and credited to the emigrant's blocked assets account. Accordingly, scheme participants who are emigrants must provide the following information:

Name of authorised dealer:
Account number:
Address:
Account number:

If emigrants make no nomination above, the company secretary will hold the scheme consideration in trust. Non-residents must complete Part C if they wish the consideration to be paid or posted by registered post, as the case may be, to an authorised dealer in South Africa.

Instructions:

1. Emigrants from the common monetary area must complete Part C.
2. All other non-residents of the common monetary area must complete Part C if they wish the consideration to be paid to an authorised dealer in South Africa.
3. If Part C is not properly completed by emigrants, the scheme consideration will be held in trust by the company pending receipt of the necessary nomination or instruction. No interest will be paid on the amount so held in trust.
4. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
5. Persons who are emigrants from the common monetary area (comprising South Africa and Namibia and the Kingdoms of Lesotho and Swaziland) should nominate the authorised dealer in foreign exchange in South Africa which has control of their blocked assets in Part B of this Form. Failing such nomination, the scheme consideration due to such scheme participants in accordance with the provisions of the scheme will be held by Vox, pending instructions from the scheme participants concerned.
6. Any alteration to this Form must be signed in full and not initialled.
7. If this Form is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this Form for noting (unless it has already been noted by Vox or the transfer secretaries). This does not apply in the event of this Form bearing a JSE broker's stamp.
8. Where the scheme participant is a company or a close corporation, unless it has already been registered with Vox or the transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by Vox.
9. If this Form is not signed by the scheme participant, the scheme participant will be deemed to have irrevocably appointed the transfer secretaries to implement the scheme participant's obligations under the scheme on his/her behalf.
10. Where there are any joint holders of any scheme shares, only that holder whose name stands first in the register in respect of such scheme shares need sign this Form.
11. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Vox.
12. A separate form (Form of Surrender, Election and Transfer in Respect of the Scheme) is also required for each scheme participant who elects to receive the consideration shares, and must be submitted to the transfer secretaries of Vox.

BUSINESS VENTURE INVESTMENTS NO 1542 LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2011/008393/06)

APPLICATION FORM FOR SUBSCRIPTION FOR CONSIDERATION SHARES ("FORM")

Important notes concerning this Form:

- This Form is only for use in respect of the scheme of arrangement in terms of section 114 of the Companies Act, 2008 (Act 71 of 2008) ("the **Companies Act**") proposed by Vox between the company and its ordinary shareholders in the company whereby Business Venture Investments No 1542 Limited ("**BidCo**") will acquire the entire issued share capital in Vox ("**the scheme**").
- Full details of the scheme are contained in a scheme circular to shareholders of Vox dated Friday, 9 September 2011 ("**Circular**"), to which this Form is attached and forms part. Accordingly, all definitions and terms used in this Form shall, unless the context otherwise requires, have the corresponding meaning and interpretation attributed in such Circular.
- In terms of the scheme, each Vox shareholder will be entitled to elect to receive:
 - a cash consideration of 45 cents for every Vox ordinary share; or
 - one ordinary share in BidCo for every 10 Vox ordinary shares; or
 - a combination of the cash consideration and the consideration shares,

on the basis that in the absence of an election, Vox shareholders will be deemed to have elected to receive the cash consideration.

THIS FORM MUST BE COMPLETED ONLY IF A SCHEME PARTICIPANT ELECTS TO RECEIVE THE CONSIDERATION SHARES AS A PART OR THE WHOLE OF ITS SCHEME CONSIDERATION.

- In terms of section 95(1)(h) of the Companies Act, the offer to Vox shareholders, in terms of the scheme, to receive the consideration shares as a part or the whole of their scheme consideration constitutes an offer to the public, and a prospectus is required to be registered in terms of section 99(3)(a)(ii) of the Companies Act. The prospectus was consequently registered by the CIPC on 8 September 2011. Pursuant to section 108(1)(a) of the Companies Act, a company which has offered securities to the public is not entitled to allot such securities or accept any subscription for such securities unless the subscription has been made on an application form that has been attached to or accompanied by a prospectus. This Form constitutes the application form contemplated in section 108(1)(a) of the Companies Act.
- A modified version of this Form is attached to the prospectus, containing the material terms of this Form. A scheme member may therefore complete this Form or the form attached to the prospectus, and need not complete both forms.

INSTRUCTIONS:

1. Applications for consideration shares may only be submitted on this Form.
2. A separate form (Form of Surrender, Election and Transfer in Respect of the Scheme) is also required for each scheme participant who elects to receive the consideration shares, and must be submitted to the transfer secretaries of Vox.
3. Applications are irrevocable and may not be withdrawn once submitted.
4. The Form must be completed in full and be returned to the transfer secretaries of BidCo, **Computershare Investor Services (Proprietary) Limited, either by hand to 70 Marshall Street, Johannesburg, 2001 or by post to PO Box 61051, Marshalltown, 2107, by no later than 12:00 on the scheme consideration record date (25 November 2011).**
5. Applicants should consult their professional advisers in case of doubt as to the correct completion of this Form.
6. If this Form is returned to BidCo's transfer secretaries, it will be treated by BidCo as a conditional offer of subscription which is made subject to the scheme becoming operative. In the event of the scheme not becoming operative for any reason whatsoever, the offer for subscription for the consideration shares shall lapse.
7. Persons who have acquired Vox shares after the date of the issue of the Circular can obtain copies of the Form, the Circular and the prospectus from the transfer secretaries of BidCo, **Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).**
8. If the instructions set out in this Form, the prospectus and Circular are not fully complied with; BidCo reserves the right to accept such applications in whole or in part at its discretion.

9. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
10. Any alteration to this Form must be signed in full and not initialled.
11. If this Form is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this Form for noting (unless it has already been noted by Vox or the transfer secretaries). This does not apply in the event of this Form bearing a JSE broker's stamp.
12. Where the scheme participant is a company or a close corporation, unless it has already been registered with Vox or the transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by Vox.
13. If this Form is not signed by the scheme participant, the scheme participant will be deemed to have irrevocably appointed the transfer secretaries to implement the scheme participant's obligations under the scheme on his/her behalf.
14. Where there are any joint holders of any scheme shares, only that holder whose name stands first in the register in respect of such scheme shares need sign this Form.
15. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Vox.

To: **Computershare Investor Services (Proprietary) Limited**
70 Marshall Street
Johannesburg
2001
(PO Box 61763, Marshalltown, 2107)

Dear Sirs

I/We, the undersigned, confirm that I/we have full legal capacity to contract and, having read the Prospectus, hereby irrevocably apply to subscribe for one consideration share for every 10 Vox shares set out below:

	Number of Vox shares:
Cash consideration in respect of:	

Note: The purpose of the scheme is not to raise capital for BidCo. In terms of the scheme, each scheme participant will be entitled to elect to receive the consideration shares as a part of the scheme consideration payable to them in exchange for their Vox shares. Scheme participants who make an election to so receive the consideration shares will not be required to pay for the consideration shares, but to exchange the relevant proportion of Vox shares for the applicable proportion of the consideration shares. Therefore the scheme is not subject to an aggregate minimum subscription.

Surname or name of corporate body _____

First names (in full) _____

Title (Mr, Mrs, Miss, Ms, etc) _____

Address to which the scheme consideration should be sent (if different from registered address) _____

Postal code

Signature of Vox shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	
Telephone number (Work)	
Cellphone number	