

This circular is important and requires your immediate attention.

The definitions commencing on page 4 of the circular apply *mutatis mutandis* to this cover.

Action required

- If you are in any doubt as to what action you should take arising from the circular, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
- If you have disposed of all of your shares in Mvelaserve, please forward the circular to the purchaser of such shares or to the broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.



Mvelaserve Limited

(Incorporated in the Republic of South Africa)
(Registration number 1999/003610/06)
Share code: MVS ISIN: ZAE000151353

Circular to Mvelaserve shareholders

regarding

- **the adoption of the Mvelaserve Executive Share Scheme**

and incorporating

- **a notice convening a general meeting of shareholders; and**
- **a form of proxy (for use by certificated shareholders and dematerialised shareholders with own-name registration only).**

Corporate advisor,
investment bank and
transaction sponsor



Sponsor



Attorneys



Date of issue: 25 October 2011

CORPORATE INFORMATION AND ADVISORS

Secretary and registered office

Mvelaserve Management Services (Proprietary) Limited
(Registration number 2000/012781/07)
28 Eddington Crescent
Highveld Technopark, Centurion, 0169
(PO Box 67501, Highveld, 0169)

Corporate advisor, investment bank and transaction sponsor

Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
3rd Floor, Corporate Place, Nedbank Sandton
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
Second Floor, 100 Grayston Drive
Sandown
Sandton, 2196
(PO Box 785700, Sandton, 2146)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Attorneys

Read Hope Phillips Thomas & Cadman Incorporated
(Registration number 2000/022080/21)
3rd Floor, 30 Melrose Boulevard
Melrose Arch, 2076
(PO Box 757, Northlands, Gauteng, 2116)

ACTION REQUIRED BY MVELASERVE SHAREHOLDERS

The definitions commencing on page 4 of the circular apply *mutatis mutandis* to this action required by Mvelaserve shareholders.

Please take careful note of the following provisions regarding the action required by Mvelaserve shareholders:

1. If you have disposed of all of your Mvelaserve shares, the circular should be handed to the purchaser of such shares or the broker, CSDP, banker, accountant, attorney or other agent who disposed of your Mvelaserve shares.
2. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. The circular contains information relating to the adoption of the Mvelaserve Executive Share Scheme. You should carefully read through the circular and decide how you wish to vote on the resolutions to be proposed at the general meeting.
4. The general meeting, convened in terms of the notice incorporated in the circular, will be held at Mvelaserve's registered office, 28 Eddington Crescent, Highveld Technopark, Centurion, on Tuesday, 22 November 2011 immediately after the AGM scheduled to begin at 10:00.

5. General meeting

5.1 If you hold dematerialised Mvelaserve shares

5.1.1 Own-name registration

You are entitled to attend in person, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the transfer secretaries, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Friday, 18 November 2011 (or 48 hours before any adjourned meeting of which the date, if necessary, will be released on SENS). Should the forms of proxy not be lodged with the transfer secretaries by this time, they may be handed to chairperson of the meeting immediately prior to the meeting.

5.1.2 Other than own-name registration

You are entitled to attend, or be represented by proxy, at the general meeting. You must advise your CSDP or broker timeously if you wish to attend, or be represented at the general meeting. If you do wish to attend or be represented at the general meeting, your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the general meeting.

You must **not** complete the attached form of proxy.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

5.2 If you hold certificated Mvelaserve shares

5.2.1 You are entitled to attend, or be represented by proxy, at the general meeting.

5.2.2 If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the transfer secretaries, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Friday, 18 November 2011 (or 48 hours before any adjourned meeting of which the date, if necessary, will be released on SENS). Should the forms of proxy not be lodged with the transfer secretaries by this time, they may be handed to chairperson of the meeting immediately prior to the meeting.

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SALIENT DATES AND TIMES

The definitions commencing on page 4 of the circular apply *mutatis mutandis* to the salient dates and times as set out below:

2011

Circular posted to shareholders on	Tuesday, 25 October
Last day to trade in order to be eligible to vote at the general meeting	Friday, 4 November
Record date in order to vote at the general meeting	Friday, 11 November
Forms of proxy to be received by 10:00 on	Friday, 18 November
General meeting to be held at Mvelaserve's offices, 28 Eddington Crescent, Highveld Technopark, Centurion, immediately after the AGM scheduled to begin at 10:00 on	Tuesday, 22 November
Results of general meeting released on SENS on	Tuesday, 22 November

Notes

1. These dates and times are subject to amendment. Any such amendment will be released on SENS.
2. Copies of this circular may be obtained in English only at the company's registered office during normal business hours from Tuesday, 25 October 2011 to Tuesday, 22 November 2011. Details of Mvelaserve are set out in the Corporate information and advisors section.

DEFINITIONS AND INTERPRETATIONS

In this circular, unless otherwise stated or the context otherwise indicates, the words in the first column below shall have the meaning stated opposite them, respectively, in the second column below, reference to the singular shall include the plural and *vice versa*, words denoting one gender shall include the other gender, and an expression denoting natural persons shall include juristic persons and associations of persons:

"AGM"	the annual general meeting of the company to be held at 10:00 on Tuesday, 22 November 2011, at the Mvelaserve offices, 28 Eddington Crescent, Highveld Technopark, Centurion;
"broker"	a JSE authorised party who has either been accepted as a CSDP in terms of section 34 of the Securities Services Act or who has otherwise appointed a CSDP to act on its behalf, and who is appointed by the company from time to time to hold the scheme shares on behalf of participants, on the terms set out in the scheme rules and otherwise in accordance with such standard terms of such party as may have been agreed to by the company, it being recorded that first such party shall be Nedgroup Securities (Pty) Limited, registration number 1995/012240/07;
"business day"	a day other than a Saturday, Sunday or official public holiday in South Africa;
"capitalisation issue"	shares allotted and issued to the company's shareholders by way of a capitalisation of profits or reserves;
"certificated shareholder(s)"	Mvelaserve shareholders who hold certificated Mvelaserve shares represented by a share certificate(s) or other physical document(s) of title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
"Companies Act"	Companies Act, 71 of 2008;
"company change in control"	any transaction pursuant to which a person or persons acting in concert (as contemplated in section 117(1)(b) of the Companies Act) who do not hold the prescribed percentage of the issued shares on the date on which the scheme rules are approved by Mvelaserve's shareholders become the beneficial owner of at least the prescribed percentage of the issued shares;
"compliance officer"	compliance officer appointed in terms of the scheme rules or any other compliance officer for the time being appointed in respect of the scheme in terms of section 97(1) of the Companies Act;
"corporate performance targets"	objective performance targets approved by the RemCo and the Mvelaserve board, having regard to targets appropriate to the company and/or the group, applying to particular performance shares;
"corporate performance targets vesting percentage"	in relation to performance shares allocated to a participant which have not yet vested in that participant, means the percentage identified as such in the most recent minutes of a meeting of the RemCo dealing with such percentages;
"circular"	this circular dated Tuesday, 25 October 2011 including Annexure 1, the notice of general meeting and the form of proxy;
"CSDP"	a participant in the central securities depository, as the terms "participant" and "central securities depository" are defined in the Securities Services Act;
"dematerialised shareholder(s)"	Mvelaserve shareholder(s) that have dematerialised their Mvelaserve share(s) through a CSDP and have instructed the CSDP to hold their Mvelaserve share(s) on the sub-register maintained by the CSDP and forming part of the Mvelaserve share register;
"dispose"	in relation to restricted shares or vested shares, means to sell, donate, alienate, transfer or otherwise dispose of such shares or any rights in or to such shares;

"distribution"	any dividend or other distribution made by the company to its shareholders, including a capitalisation issue;
"eligible employee"	any executive director or other senior management-level employee of the company and/or its subsidiaries proposed as such by the ExCo, after consulting the board of the relevant employer, who is approved as such by the RemCo and who has achieved the minimum performance score for participation in the scheme (as determined by the RemCo from time to time) in his most recent performance appraisal conducted in terms of the group's employee performance appraisal policy at the relevant time;
"employee(s)"	any person (including an executive director) in the full-time or part-time permanent employ of the company or any other member of the group. For the avoidance of doubt, a non-executive director shall not be considered an employee;
"employer"	the company or any other member of the group which is the employer of one or more eligible employees;
"encumber"	in relation to restricted shares or vested shares, means to pledge, cede in security or otherwise grant an option, right of first refusal or a pre-emptive right in respect of, or otherwise create or allow to come into existence any lien, hypothec, bond or other form of security rights or any other limitation on the right to dispose of such shares;
"ExCo"	the Executive Committee of the Mvelaserve board, as constituted from time to time;
"fault termination"	any termination of a participant's employment with the group which: <ul style="list-style-type: none"> • does not constitute a no fault termination; or • is determined by the RemCo in its discretion, to be a fault termination;
"general meeting"	the general meeting of shareholders to be held at the Mvelaserve Offices, 28 Eddington Crescent, Highveld Technopark, Centurion, on Tuesday, 22 November 2011 immediately after the AGM scheduled to begin at 10:00, to consider and, if deemed appropriate, approve the adoption of the Mvelaserve Executive Share Scheme;
"the group"	the company and its subsidiaries from time to time;
"Investec Bank"	Investec Bank Limited (Registration number 1969/004763/06), a public company incorporated in South Africa, whose shares are listed on the JSE;
"JSE"	the JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in South Africa and licensed as an exchange under the Securities Services Act;
"JSE Listings Requirements"	the JSE Listings Requirements, as amended from time to time;
"Mvelaserve" or "the company"	Mvelaserve Limited (Registration number 1999/003610/06), a public company incorporated and registered in South Africa and the shares of which are listed on the JSE;
"Mvelaserve board" or "directors"	the board of directors for the time being of the company, whose names as at the date of this circular, are reflected on page 8 of the circular;
"Nedbank Capital"	Nedbank Capital, a division of Nedbank Limited (Registration number 1951/000009/06), a public company incorporated and registered in South Africa;
"no fault termination"	any termination of a participant's employment, subject to any reclassification in accordance with the definition of fault termination in the scheme rules, with the group by reason of: <ul style="list-style-type: none"> • the participant's death; • the participant's retirement at the age specified for retirement in the participant's employment agreement with his employer, and failing any such specified date, at the normal retirement age for employees;

	<ul style="list-style-type: none"> • the participant's retrenchment for reasons unrelated to his performance; • the participant's permanent disability, as defined in the scheme rules of the group's provident fund; or • any other reason acceptable to the RemCo in its discretion;
"option award"	an award to an eligible employee of an option to acquire restricted shares;
"option grant letter"	letter issued by the company to an eligible employee as contemplated in the scheme rules which shall be substantially in the form of Annexure A to the scheme rules, or such other form as may be determined by the company from time to time;
"participant"	<p>an eligible employee to whom an option award has been made in terms of this scheme and who has:</p> <ul style="list-style-type: none"> • exercised the option granted to him to acquire the restricted shares related to such option award; • signed a deed of adherence; and • accepted the terms of an option grant letter, <p>and who has complied with the other relevant terms of the scheme rules;</p>
"performance shares"	<p>restricted shares that are, subject to the scheme rules, subject to:</p> <ul style="list-style-type: none"> • the requirement that the participant remains an employee for the relevant vesting period; and • corporate performance targets;
"Read Hope Phillips"	Read Hope Phillips Thomas & Cadman Incorporated (Registration number 2000/022080/21);
"prescribed percentage"	the percentage contemplated in section 123(1) of the Companies Act read with Regulation 86(1) of the Companies Regulations;
"RemCo"	the Remuneration Committee of the Mvelaserve board, as constituted from time to time;
"restricted shares"	scheme shares allocated to participants in terms of the scheme rules, comprising retention shares and/or performance shares, which shares shall be held by the broker on the behalf of the participants in terms of the scheme rules;
"restricted share date"	in respect of any restricted shares, means the date on which those restricted shares are allocated to a participant pursuant to his exercise of an option award, as set out in the relevant option grant letter;
"retention shares"	restricted shares that are, subject to the scheme rules, subject to the requirement that the participant remains an employee for the relevant vesting period but that are not subject to corporate performance targets;
"rights issue"	an offer by the company to its shareholders generally to take up rights to new shares which are to be issued;
"scheme"	the Mvelaserve Executive Share Scheme to which the scheme rules apply;
"scheme rules"	the schemes rules of the Mvelaserve Executive Share Scheme, as amended from time to time;
"scheme shares"	<p>shares:</p> <ul style="list-style-type: none"> • issued by the company to a participant; or • purchased by an employer or any other member of the group and held as treasury shares for subsequent allocation to a participant; or • purchased by the broker through the market on the written request of the company and allocated to a participant; or • acquired by an employer other than the company as a result of any participant forfeiting all or any portion of his restricted shares and held as treasury shares for subsequent allocation to a participant; or

	<ul style="list-style-type: none"> • held by any member of the group as treasury shares for subsequent allocation to a participant; or • acquired by the broker on behalf of the company or any other member of the group as a result of any participant forfeiting all of any portion of his restricted shares and held by the broker for subsequent allocation to a participant;
"SENS"	the Securities Exchange News Service of the JSE;
"shareholder(s)" or "Mvelaserve shareholder(s)"	a holder(s) of a share(s);
"shares" or "Mvelaserve shares"	ordinary shares in the company, listed on the JSE;
"Strate"	Strate Limited (Registration number 1998/022242/06), a company incorporated in South Africa and the electronic settlement system for transactions that take place on the JSE and off-market trades;
"subsidiary change in control"	in relation to any member of the group other than the company, means that member of the group ceasing to be a subsidiary of the company;
"termination date"	in respect of a participant, means the date on which that participant's employment with the group terminates;
"transfer secretaries" or "Computershare"	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company incorporated and registered in South Africa;
"vested shares"	restricted shares which have vested in a participant as contemplated in the scheme rules;
"vesting date"	the date specified as such in the relevant option grant letter in relation to the restricted shares referred to in that option grant letter or such earlier date as may be determined as a vesting date in terms of the sections of the scheme rules dealing with termination of employment and corporate action; and
"vesting period"	in relation to restricted shares allocated to a participant pursuant to his exercise of an option award, means the period specified as such in the option grant letter in relation to such restricted shares.



Mvelaserve Limited

(Incorporated in the Republic of South Africa)

(Registration number 1999/003610/06)

Share code: MVS ISIN: ZAE000151353

Directors

M S M Xayiya (*Executive Chairman*)

J M S Ferreira (*Chief Executive Officer*)

G E Röth (*Chief Financial Officer*)

O A Mabandla * +

S Masinga *

N Mbalula *

F N Mantashe *

G D Harlow *

* *Independent non-executive*

+ *Lead independent non-executive director*

CIRCULAR TO MVELASERVE SHAREHOLDERS

1. INTRODUCTION AND RATIONALE

Mvelaserve proposes the adoption of the Mvelaserve Executive Share Scheme for the purpose of providing an opportunity to key executives, who are executive directors or other senior management-level employees, to acquire shares in the capital of the company, through the exercise of short-dated options granted under the scheme and the subsequent allocation of restricted shares. Participation in the scheme is intended to retain key executives and to give participants the incentive to advance the interests of the company for the benefit of all Mvelaserve shareholders. Further details of the Mvelaserve Executive Share Scheme are contained in paragraph 3 of the circular.

Further to the above, the directors recommend that the Mvelaserve Executive Share Scheme be proposed to and adopted by shareholders at the general meeting of shareholders.

2. PURPOSE OF THE CIRCULAR

The purpose of the circular is to provide shareholders with the relevant information relating to the adoption of the Mvelaserve Executive Share Scheme and the implications thereof, to enable shareholders to make an informed decision as to whether or not they should vote in favour of the requisite resolutions necessary to give effect thereto.

3. OVERVIEW OF THE MVELASERVE EXECUTIVE SHARE SCHEME

3.1 Introduction

Mvelaserve proposes to implement the share scheme for the purposes of retaining, attracting and incentivising key executives.

3.2 Shares utilised for the scheme and limits

A maximum of 10 000 000 (ten million) shares will be utilised for the purposes of the Mvelaserve Executive Share Scheme, which includes shares issued to participants and scheme shares acquired through the market by any member of the group.

The maximum number of shares which may, in aggregate, be allocated to any one participant pursuant to the scheme is 1 800 000 (one million eight hundred thousand) restricted shares.

These limits will be adjusted proportionately in the event that Mvelaserve implements a sub-division or consolidation of its shares.

3.3 Eligible employees

Any executive director or other senior management-level employee of the company and/or its subsidiaries, proposed by the ExCo after consulting the board of the relevant employer and approved as such by the RemCo, may be eligible for participation in the scheme.

In considering a proposed participant's eligibility for the scheme, the ExCo and the RemCo will take into account the contribution of the proposed participant's employer to the group and his individual performance measured in the context of Mvelaserve's internal performance appraisal process, amongst other factors.

3.4 Allocation of restricted shares

Restricted shares will be granted by way of an option award, on the following basis:

- Option awards may only be issued after the RemCo has consulted with, where required, ExCo and/or the relevant employer board(s); and with the consent of the RemCo and, where required, the Mvelaserve board.
- Option awards will, as a rule, be made once in each financial year of the company.
- An eligible employee who fails to achieve the minimum performance score for participation in the scheme in any performance appraisal conducted in terms of the group's employee performance appraisal policy at the relevant time will not be entitled to participate in the option awards made in respect of the related financial year of the company.
- Eligible employees will receive an option award by way of an option grant letter.
- The option award will grant an option to the eligible employee to acquire, at no cost, a specified number of restricted shares.
- The option award will be exercisable within a short period, envisaged to be no more than ten business days.
- If the eligible employee exercises the option granted to him in accordance with the option grant letter, he shall become a participant in the scheme and restricted shares shall be allocated to him.

The number of restricted shares allocated to an eligible employee will depend on that employee's job grading level, remuneration and years of service with the company, benchmarking of allocations to employees at similar levels of management on comparable schemes and employed by comparable companies, the length of vesting periods, and any other factors that the RemCo considers appropriate.

3.5 Nature of restricted shares

Restricted shares will comprise both retention shares and performance shares. RemCo has discretion in terms of the split between retention shares and performance shares allocated to each participant under each option award. It is envisaged that an equal number of retention shares and performance shares will be allocated to eligible employees in the initial allocation.

A three-year vesting period is anticipated for restricted shares, and participants will not be entitled to dispose of or encumber their restricted shares until the vesting date. RemCo will, from time to time, review the vesting period in the context of market trends and sound corporate governance principles, and has discretion to vary the vesting period with respect to the annual option awards. However, vesting periods cannot be adjusted retrospectively, and the same vesting period will apply to all participants under each annual allocation.

The vesting of retention shares shall be subject to the condition that the participant remains an employee for the duration of the vesting period.

The vesting of performance shares shall be subject to the condition that the participant remains an employee for the duration of the vesting period and the condition that the corporate performance targets relating to that allocation are met.

Corporate performance targets relating to performance shares will comprise one or more metric that is aligned with existing company and group targets, measured on an annualised basis over the vesting period in order to ensure long-term value creation.

The participants will become beneficial owners of the restricted shares at the time of allocation, and will be entitled to receive dividends paid by the company in respect of those shares. Participants shall be entitled to vote their shares, but their votes will not be taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

Termination of employment of a participant will be dealt with in accordance with the scheme rules such that:

- if the termination of employment is a no fault termination:
 - retention shares allocated to a participant will vest on a *pro rata* basis taking into account the period of the participant's employment; and
 - performance shares allocated to a participant will vest on a proportionate basis with the number of shares that vest being determined by multiplying the corporate performance target vesting percentage by the number of performance shares allocated to him;
- if the termination of employment is a fault termination, the participant's restricted shares shall be forfeited on the termination date.

3.6 Corporate action

The treatment of the scheme and scheme shares in the event of corporate action including takeovers and mergers, rights issues, reorganisations of capital and liquidation is dealt with in Annexure 1.

3.7 Salient features of the Mvelaserve Executive Share Scheme

The salient features of the Mvelaserve Executive Share Scheme are set out in Annexure 1 to the circular.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Mvelaserve:

- have considered all statements of fact and opinion in the circular;
- collectively and individually accept full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading;
- have made all reasonable enquiries in this regard; and
- certify that, to the best of their knowledge and belief, the circular contains all information required by law, as required by the JSE Listings Requirements.

5. CONSENTS

Nedbank Capital, Investec Bank and Read Hope Phillips have provided their written consent to act in the capacity stated and to their name being used in the circular and have not withdrawn their consent prior to the publication of the circular.

6. JSE APPROVAL

The Mvelaserve Executive Share Scheme has been submitted to and approved by the JSE.

7. OPINION AND RECOMMENDATION

The directors are of the opinion that the adoption of the Mvelaserve Executive Share Scheme will be beneficial to Mvelaserve and its shareholders and recommend that shareholders vote in favour of the necessary resolutions.

8. LITIGATION STATEMENT

The directors are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), which may have, or have had, a material effect on the group's financial position during the 12 months preceding the last practicable date, other than those disclosed in the annual financial statements.

9. MATERIAL CHANGE STATEMENT

There has been no material change in the financial or trading position of the company and its subsidiaries since the last financial period dated 31 December 2010 for which unaudited condensed consolidated interim financial results have been published.

10. GENERAL MEETING, SHAREHOLDER APPROVAL AND VOTING RIGHTS

10.1 Notice of general meeting

A notice convening a general meeting of Mvelaserve shareholders is attached to this circular.

The general meeting of Mvelaserve shareholders recorded in the register as at Friday, 11 November 2011, will be held at the Mvelaserve offices, 28 Eddington Crescent, Highveld Technopark, Centurion on Tuesday, 22 November 2011 immediately after the AGM scheduled to begin at 10:00, for the purpose of considering and, if deemed fit, passing with or without modification the ordinary resolutions set out in this notice of general meeting. The last day to trade in order to be eligible to vote will be Friday, 4 November 2011.

10.2 Electronic participation in the general meeting

Shareholders are advised that they or their proxies may participate in the general meeting by means of electronic communication. Should a shareholder wish to do so, the shareholder is advised to please contact Olivia Oosthuizen at the company at telephone number +27 87 803 3409, before 10:00, on Tuesday, 15 November 2011, to receive dial in instructions.

Please note that whilst it is possible to participate in the meeting through this medium, there is no facility for electronic voting and accordingly shareholders are advised to follow the instructions contained in this circular in respect of voting.

10.3 Shareholder approval

In terms of the JSE Listings Requirements, ordinary resolution number 1 of the attached notice of general meeting requires the approval of a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting.

All issued Mvelaserve shares rank *pari passu* with each other. At the general meeting, every shareholder present or represented by proxy shall have one vote on a show of hands, and on a poll, one vote for every Mvelaserve share held.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered offices of Mvelaserve and at the offices of Nedbank Capital, as detailed in the Corporate information and advisors section of this circular, from the date of the circular up to and including the date of the general meeting:

- a signed copy of this circular;
- the Memoranda of Incorporation of Mvelaserve and its subsidiaries;
- the Mvelaserve Executive Share Scheme rules;
- the annual financial statements of Mvelaserve for the year ended 30 June 2011; and
- the written consents of Nedbank Capital, Investec Bank and Read Hope Phillips as set out in paragraph 5 of the circular.

This circular signed at Johannesburg on behalf of all the directors in terms of powers of attorney granted on Tuesday, 25 October 2011.

J M S Ferreira
Chief Executive Officer

Registered office

Mvelaserve Limited
Registration number 1999/003610/06
28 Eddington Crescent
Highveld Technopark, Centurion, 0169
(PO Box 67501, Highveld, 0169)

SALIENT FEATURES OF THE MVELASERVE EXECUTIVE SHARE SCHEME

1. PURPOSE AND NATURE

The Mvelaserve Executive Share Scheme is a restricted share scheme intended to retain and incentivise key executives. The allocation of restricted shares to participants in the scheme is contingent upon the immediate exercise of option awards granted to them as eligible employees in the manner and on the terms and conditions as set out in the scheme rules and in their option grant letters.

2. ELIGIBLE EMPLOYEES

Any executive director or other senior management-level employee of the company and/or its subsidiaries proposed as such by the ExCo, after consulting the board of the relevant employer, and who is approved as such by the RemCo is eligible for participation in the scheme. In order to become a participant in the scheme an eligible employee must exercise the short-dated option awarded to him as detailed in his option grant letter.

3. SHARES AVAILABLE FOR THE SCHEME

The maximum number of shares that can be utilised is 10 000 000 (ten million) ordinary shares which includes shares issued to participants and shares acquired through the market by any member of the group. The maximum number of shares which may, in aggregate, be allocated to any one participant pursuant to the scheme is 1 800 000 (one million eight hundred thousand) shares.

If the company implements a sub-division or consolidation of its shares:

- the maximum number of shares utilised for the scheme shall be adjusted proportionately; and
- the maximum number of shares which may, in aggregate, be allocated to any one participant pursuant to the scheme shall, without charge to the participants, be adjusted proportionately.

4. OPTION AWARDS

- 4.1 Option awards shall be made to eligible employees once in each financial year of the company provided that additional option awards may be made to eligible employees if necessary for the purposes of attracting and/or retaining suitably skilled and competent personnel. The timing of all option awards is subject to the determination of the RemCo, after consulting with the ExCo.
- 4.2 Option awards may only be issued after the RemCo has consulted with, where required, ExCo and/or the relevant employer board(s), and with the consent of the RemCo and, where required, the Mvelaserve board. An eligible employee who fails to achieve the minimum performance score for participation in the scheme (as determined by the RemCo from time to time) in any performance appraisal conducted in terms of the group's employee performance appraisal policy at the relevant time will not be entitled to participate in the option awards made in respect of the related financial year of the company.
- 4.3 Option awards will be made by means of the issue to participants of option grant letters detailing the number of restricted shares to be allocated on the exercise of a short-dated option, as well as the terms of the option award.
- 4.4 Eligible employees shall not be required to pay any amount for option awards made to them nor for exercising such option awards nor for restricted shares allocated to them pursuant to their exercise of such awards.

5. RESTRICTED SHARES

Restricted shares shall comprise both retention shares and performance shares:

- vesting of retention shares is subject to the condition that the participant remains an employee for duration of the vesting period; and
- vesting of performance shares is subject to the condition that the participant remains an employee for the duration of the vesting period and the condition that the corporate performance targets relating to that award are met.

6. TRANSFER RIGHTS

An option award shall be personal to and only capable of being exercised by the participant to whom it is granted.

Restricted shares allocated to a participant pursuant to his exercise of an option award may not be disposed of or encumbered by the participant or registered in any name other than that of the broker at any time before the later of:

- the vesting date; and
- the date on which the company instructs the broker that such shares have vested in the participant and that all taxes payable by the participant, in respect of the vesting of his restricted shares have been paid.

7. VOTING RIGHTS

Each participant shall be entitled to vote his restricted shares, provided that the votes of restricted shares will not be taken into account for JSE Listings Requirements approval purposes at general or annual general meetings of the company, and such restricted shares will not be taken into account for purposes of determining categorisations as detailed in section 9 of the JSE Listings Requirements.

8. DISTRIBUTIONS

Restricted shares which have not been forfeited shall be entitled to the same rights in relation to distributions made by the company as the other shares.

9. TERMINATION OF EMPLOYMENT

In the event of the termination of the employment of a participant prior to the vesting date (such that he is no longer employed by any member of the group), the following provisions shall apply:

- if the termination of employment is a no fault termination as regards:
 - retention shares allocated to him, that number of those retention shares which bears the same proportion to the total number of retention shares so allocated to him as the period between the relevant restricted share date and the termination date bears to the period between the relevant restricted share date and the vesting date in respect of those retention shares, shall vest and the remaining retention shares so allocated to him shall be forfeited;
 - the performance shares allocated to him, that number of those performance shares as is determined by multiplying the corporate performance targets vesting percentage by the number of performance shares so allocated to him shall vest in the participant on the termination date, and the remaining performance shares so allocated to him shall be forfeited; and
- if the termination of employment is a fault termination, the participant's restricted shares shall be forfeited on the termination date.

10. RIGHTS ISSUE

If the company makes a rights issue, each participant shall be entitled to follow his rights in respect of such rights issue on the same basis as other shareholders of the company, and to the extent that any participant subscribes for shares pursuant to such rights issue on the same basis as other holders of the shares who are not participants, the shares so issued to the participant shall not be restricted shares and shall therefore not be subject to any of the restrictions set out in the scheme rules.

11. REORGANISATION OF THE COMPANY OR CAPITAL

If the company implements a sub-division or consolidation of its shares, the number of restricted shares allocated to each participant shall, at no cost to the participants, be adjusted proportionately to such sub-division or consolidation, to ensure that, after such sub-division or consolidation, each participant enjoys the same entitlement to restricted shares in proportion to all of the issued shares as he enjoyed prior to such sub-division or consolidation, insofar as may reasonably be possible.

12. TAKEOVERS, MERGERS AND CORPORATE ACTION

The Mvelaserve board may consider any proposal with respect to a company change in control made by the relevant offeror(s) in relation to the scheme, including any proposal in relation to the acceleration of the vesting of restricted shares, amendments to the scheme or the creation of a new scheme.

If, after taking the advice of the RemCo and an independent expert, the Mvelaserve board resolves that an offeror proposal is in the interest of the company and the participants and is fair to them, the Mvelaserve board may, subject to any approvals that may be required in relation thereto, accept such proposal.

If the Mvelaserve board does not accept any offeror proposal, or if no such proposal is made by the relevant offeror(s), then, from a date determined by the Mvelaserve board to be a date which enables the participants to participate in the offer in a manner which is fair to the participants, the employment of all participants shall be deemed to have terminated, solely for the purposes of the scheme, on a no fault basis.

On the date of a subsidiary change in control, the employment of participants then employed by the subsidiary concerned who have been allocated restricted shares which have not vested on the date of such subsidiary change in control shall likewise be deemed, solely for the purposes of the scheme, to have terminated on a no fault basis.

13. LIQUIDATION

If the company is placed in provisional or final liquidation or business rescue proceedings are commenced in relation to Mvelaserve under circumstances described in the scheme rules then:

- all short-dated options for restricted shares which have not yet been accepted and exercised by eligible employees shall lapse; and
- all restricted shares allocated to participants which have not yet vested shall be forfeited by those participants.

If a subsidiary which employs participants is placed in provisional or final liquidation or business rescue proceedings commence as described in the scheme rules, then the provisions above will apply to participants employed by the subsidiary.

14. FORFEITURE OF RESTRICTED SHARES

Allocated scheme shares which do not subsequently vest in the identified participants, at the election of the Mvelaserve board, and subject to any applicable legal requirements as set out in the scheme rules, shall be:

14.1 repurchased by the company for no consideration and transferred by the broker to the company; or

14.2 acquired by the broker for no consideration and:

- held by the broker on behalf of the company as scheme shares; or
- allocated to another participant entitled thereto;

14.3 acquired by an employer other than the company, or any other member of the group, for no consideration and:

- held by that employer or other member of the group as treasury shares;
- held by the broker on behalf of that employer or other member of the group as scheme shares; or
- allocated to another participant entitled thereto.

A participant shall have no right to receive any compensation or consideration in respect of any forfeited shares from the company or any other member of the group or any other person.

15. FUNDING OF SCHEME SHARES

At the company's election, which shall be made on an option award by option award basis, the costs of issuing or acquiring scheme shares for allocation to participants as restricted shares shall be borne by:

- the company and refunded to the company by the relevant employer in respect of participants who are not employed by the company at the time such costs are borne;
- the relevant employers directly; or
- any other member of the group and refunded to that member of the group by the relevant employer in respect of participants who are not employed by that member of the group at the time such costs are borne or thereafter,

provided that the option grant letters shall record which group company will be responsible for settling the scheme shares to participants.

16. AMENDMENTS

The scheme rules may be amended from time to time by the Mvelaserve board on the written recommendation of the RemCo, provided that:

- 16.1 no amendment shall be made to the scheme or the scheme rules without the prior approval of the JSE, if so required by the JSE Listings Requirements; and
- 16.2 no amendment in respect of the matters set out below shall be effective unless such amendment has first been approved by the JSE and by an ordinary resolution approved by 75% of votes of the shareholders of the company in a general meeting:
 - 16.2.1 the category of persons who may become participants in the scheme and the basis upon which option awards are made to participants;
 - 16.2.2 the voting, dividend, transfer and other rights (including those arising on a liquidation of the company) attaching to the scheme shares;
 - 16.2.3 the total number of shares which may be utilised for the purposes of the scheme;
 - 16.2.4 the fixed maximum number of restricted shares for any one participant; and
 - 16.2.5 the rights of participants who leave the employment of the group insofar as their departure from the scheme is concerned.
- 16.3 Subject to the above, if necessary, the Mvelaserve board may, on the written recommendation of the RemCo, amend the scheme in such manner as will result in the scheme being capable of practical implementation in terms of the law then in force.

17. ANNUAL DISCLOSURE

For as long as the scheme continues to operate, the Mvelaserve board shall cause to be included in the annual financial statements of the company a statement setting out:

- 17.1 the number of shares that may be utilised for purposes of the scheme at the beginning of the relevant financial year;
- 17.2 any changes to the number of such shares during the relevant financial year;
- 17.3 the balance of shares available for utilisation for purposes of the scheme at the end of the relevant financial year; and
- 17.4 ensure that the company includes in its annual financial statements from time to time any other disclosures required in terms of the JSE Listings Requirements.



Mvelaserve Limited

(Incorporated in the Republic of South Africa)

(Registration number 1999/003610/06)

Share code: MVS ISIN: ZAE000151353

NOTICE CONVENING A GENERAL MEETING OF MVELASERVE SHAREHOLDERS

Notice is hereby given that a general meeting of Mvelaserve shareholders recorded in the register as at Friday, 11 November 2011, will be held at the Mvelaserve offices, 28 Eddington Crescent, Highveld Technopark, Centurion on Tuesday, 22 November 2011 immediately after the AGM scheduled to begin at 10:00, for the purpose of considering and, if deemed fit, passing with or without modification the ordinary resolutions set out in this notice of general meeting. The last day to trade in order to be eligible to vote will be Friday, 4 November 2011.

ORDINARY RESOLUTION NUMBER 1

In terms of Rule 14.1 contained in Schedule 14 of the JSE Listings Requirements, the shareholders hereby approve the Mvelaserve Executive Share Scheme on the terms and subject to the conditions contained in the Mvelaserve Executive Share Scheme Rules.

Reason for and effect of ordinary resolution 1

The reason for and effect of ordinary resolution 1 is to approve the Mvelaserve Executive Share Scheme as required by Rule 14.1 of Schedule 14 of the JSE Listings Requirements. In terms of that Rule of the JSE Listings Requirements, this ordinary resolution, to be valid, must be approved by not less than 75% of the votes cast by shareholders present in person or by proxy.

ORDINARY RESOLUTION NUMBER 2

The RemCo, the ExCo, and the directors of the company and its subsidiaries are hereby authorised to do all such things and take all such steps as may be required to implement the Mvelaserve Executive Share Scheme in accordance with its rules.

Reason for and effect of ordinary resolution 2

The reason for an effect of ordinary resolution 2 is to authorise the RemCo, the ExCo and the directors of the company and its subsidiaries to implement the Mvelaserve Executive Share Scheme. In terms of section 65(7) of the Companies Act, 71 of 2008, as amended (the "Companies Act") ordinary resolution 2, to be valid, must be approved by more than 50% of the votes cast by shareholders present in person or by proxy.

RELEVANT DOCUMENTS

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered offices of Mvelaserve and at the offices of Nedbank Capital, as detailed in the corporate information and advisors section of this circular, from the date of the circular up to and including the date of the general meeting:

- a signed copy of this circular;
- the Memoranda of Incorporation of Mvelaserve and its subsidiaries;
- the Mvelaserve Executive Share Scheme rules;
- the annual financial statements of Mvelaserve for the year ended 30 June 2011; and
- the written consents of Nedbank Capital, Investec Bank and Read Hope Phillips as set out in paragraph 5 of the circular.

RECORD DATE, VOTING, PROXIES AND QUORUM

The record date for the purposes of the general meeting, as contemplated in section 59 read with section 62(3)(a) of the Companies Act, is Friday, 11 November 2011.

Should any shareholder or their proxy (appointed in accordance with the instructions below) wish to participate in the general meeting by way of electronic participation, that shareholder must advise the transfer secretaries of their intention to so participate, in writing at the address below, to be received by the transfer secretaries at least five business days prior to the general meeting in order for the transfer secretaries to arrange for the shareholder to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder with details as to how to access any electronic medium made reasonably accessible by the company for electronic participation. The costs of accessing any medium provided by the company for the purposes of electronic participation will be borne by the shareholder, so accessing such electronic medium. Shareholders are advised that whilst it is intended that it will be possible to participate in the general meeting through an electronic medium, there is no facility for electronic voting and accordingly, shareholders are advised to follow the instructions below in respect of voting.

On a show of hands every shareholder present in person or by proxy and, if a shareholder is a body corporate, its representatives shall have one vote irrespective of the number of ordinary shares he/she holds or represents, and on a poll every ordinary shareholder present in person or by proxy and if the person is a body corporate, its representatives, shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the company.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and on a poll, to vote in his/her stead. A form of proxy is attached for completion by certificated shareholders or dematerialised shareholders in their "own name" who are unable to attend the general meeting in person and who wish to vote at the general meeting. Forms of proxy must be lodged with the transfer secretaries to be received by him not later than 10:00 on Friday, 18 November 2011 (or 48 hours before any adjourned meeting of which the date, if necessary, will be released on SENS). Should the forms of proxy not be lodged with the transfer secretaries by this date and time, they may be handed to the chairperson of the meeting immediately prior to the meeting.

A proxy may delegate the authority granted to him/her/it as proxy, subject to any restriction contained in the form of proxy.

Dematerialised shareholders should furnish his/her CSDP or broker with his/her instructions for voting at the general meeting. If a CSDP or broker does not obtain instructions from members, it will be obliged to act in terms of the mandate furnished to it. A dematerialised shareholder, other than an "own-name" dematerialised shareholder must NOT complete the attached form of proxy. Unless dematerialised shareholders advise their CSDP or broker in the manner and time stipulated in the agreement between them and their CSDP or broker that they wish to attend the general meeting or send a proxy, the CSDP or broker will assume that they do not wish to attend the general meeting or send a proxy. If dematerialised shareholders wish to attend the general meeting, they are required to request that their CSDP or broker issue the necessary letter of representation to them to enable them to attend and vote at the general meeting.

In terms of section 63(1) of the Companies Act, each person who attends or participates in the meeting must present reasonably satisfactory identification.

In addition to the specified percentage of voting rights required to be exercised in respect of each ordinary resolution as set out in the "reason for and effect of" paragraphs above, in terms of section 64(1) and section 64(3) of the Companies Act, at least 25% of all the voting rights that are entitled to be exercised in respect of each ordinary resolution, and no fewer than three shareholders, shall be required to be present at the time that each ordinary resolution is called on the agenda of the meeting.

By order of the Mvelaserve board

J M S Ferreira
Chief Executive Officer

Centurion
25 October 2011

Registered office

Mvelaserve Limited
Registration number 1999/003610/06
28 Eddington Crescent
Highveld Technopark, Centurion, 0169
(PO Box 67501, Highveld, 0169)



Mvelaserve Limited

(Incorporated in the Republic of South Africa)

(Registration number 1999/003610/06)

Share code: MVS ISIN: ZAE000151353

FORM OF PROXY

(for use by certificated shareholders and dematerialised shareholders with own-name registration only)

For use by the company's certificated ordinary shareholders and dematerialised Mvelaserve ordinary shareholders with "own-name" registration at the general meeting of shareholders of the company to be held at the Mvelaserve offices, 28 Eddington Crescent, Highveld Technopark, Centurion, on Tuesday, 22 November 2011 immediately after the AGM is scheduled to begin at 10:00 and at any adjournment thereof.

Holders of dematerialised ordinary shares, other than with "own-name" registration, must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the general meeting of ordinary shareholders and request their CSDP or broker to issue them with the necessary letter of representation to attend in person and vote or provide their CSDP or broker with their voting instructions should they not wish to attend the general meeting of Mvelaserve shareholders but wish to be represented thereat.

I/We (full name in block letters)

of (address)

being the holder(s) of shares in Mvelaserve, do hereby appoint:

1. _____ of _____ or failing him/her
2. _____ of _____ or failing him/her

3. the chairman of the general meeting,

as my/our proxy to act for me/us and on my/our behalf at the general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the ordinary resolutions and/or abstain from voting in respect of the Mvelaserve shares registered in my/our name(s), in accordance with the following instructions:

	Number of shares*		
	For	Against	Abstain
Ordinary resolution number 1: Adoption of the Mvelaserve Executive Share Scheme			
Ordinary resolution number 2: Authorising the Remuneration Committee of the company, the Executive Committee of the company and the directors of the company and its subsidiaries to implement the Mvelaserve Executive Share Scheme in accordance with its rules			

***Note:** On a poll Mvelaserve shareholder is entitled to one vote for each Mvelaserve share held.

Signed at _____ on _____ 2011

Signature(s)

Assisted by (where applicable)

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

Please read the notes below and on the reverse side hereof.

Notes

1. Each certificated member and "own-name" registered dematerialised member is entitled to appoint one or more proxies (who need not be certificated members or "own-name" registered dematerialised members) to attend, speak and vote in place of the member at the general meeting.
2. A certificated member and an "own-name" registered dematerialised member may insert the name of a proxy or the names of two alternative proxies of the certificated member and "own-name" registered dematerialised member's choice in the space provided, with or without deleting the chairman of the general meeting. The person whose name stands first on the form of proxy and who is present at the general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.
3. A certificated member and "own-name" registered dematerialised member's instructions to the proxy have to be indicated by the insertion of the relevant number of votes exercisable by that certificated member and "own-name" registered dematerialised member in the appropriate box provided. Failure to comply with this shall be deemed to authorise the chairman of the general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary resolutions at the general meeting or the appointed proxy to vote or to abstain from voting at the general meeting, as he/she deems fit, in respect of all the certificated member and "own-name" registered certificated member's votes exercisable thereat.
4. A certificated member and "own-name" registered dematerialised member or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such certificated member and "own-name" registered dematerialised member or represented by such proxy, but the total number of votes for or against the ordinary resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the certificated member and "own-name" registered dematerialised member or his/her proxy is entitled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the general meeting.
6. The chairman of the general meeting may reject or accept any form of proxy that is completed and/or received, other than in compliance with these notes.
7. Any alterations or corrections to this form of proxy shall be initialled by the signatory(ies).
8. The completion and lodging of this form of proxy shall not preclude the relevant certificated member and "own-name" registered dematerialised member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such certificated member and "own-name" registered dematerialised member wish to do so.
9. Forms of proxy should be lodged with or mailed to Computershare Investor Services (Proprietary) Limited:

Hand deliveries of proxy forms to:

Computershare Investor Services (Proprietary) Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001

Postal deliveries of proxy forms to:

Computershare Investor Services (Proprietary) Limited
PO Box 61051
Marshalltown, 2107

to be received by no later than 10:00 on Friday, 18 November 2011 (or 48 hours before any adjourned general meeting which date, if necessary, will be notified on SENS). This form of proxy is to be completed only by those certificated members and "own-name" registered dematerialised members who are:

- holding ordinary shares in certificated form; or
- recorded in the sub-register in dematerialised electronic form in their own name.

10. Holders of ordinary shares (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, CSDP or broker (as the case may be) on how they wish their votes to be cast at the general meeting on their behalf. As far as holdings in a CSDP are concerned, this will be guided by the terms of the agreement entered into with the CSDP.